Government of Alberta

2003-04

Annual Report

REPORT TO ALBERTANS
ON BUDGET 2003

Alberta

This is the report to Albertans on **Budget 2003 – Making Alberta Even Better**. It is a permanent public record of ALL the dollars spent and the results achieved by the Government of Alberta for the 2003-04 fiscal year.

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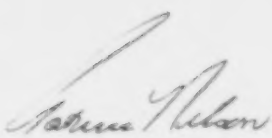
ACCOUNTABILITY STATEMENT

The government's Annual Report for the year ended March 31, 2004 was prepared under my direction on behalf of the government in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as at June 21, 2004 with material economic or fiscal implications have been considered in the preparation of the Annual Report.



Patricia L. Nelson
Minister of Finance

Alberta 2003 Budget

Making Alberta Even Better

A MESSAGE FROM THE MINISTER OF FINANCE

Alberta has a well-earned reputation as a fiscal leader in Canada. In 2003-04 our budget was balanced for the tenth consecutive year, debt was repaid, and the province maintained its triple A credit rating. Building on our fiscal strengths, the government began laying the groundwork for an even better Alberta by establishing a new fiscal framework to add greater predictability and sustainability to the province's budget planning process.

Along with a strong economy comes new challenges created by a growing population, and in the 2003-04 fiscal year we placed increased priority on addressing the pressures that growth creates on core programs such as health, education and infrastructure.

As part of our commitment to be open and accountable, the government provides an annual report at the end of each fiscal year to share our financial and performance results with all Albertans. The actual results are compared to the estimates and targets established in the previous year's budget. This allows Albertans to see how we accomplished what we set out to do.

FISCAL FRAMEWORK

As demonstrated in recent years, swings in energy prices can cause large swings in government revenue. Albertans felt that changes were required to the way the government managed these ups and downs. 2003-04 saw the implementation of the new fiscal framework, which included a new Alberta Sustainability Fund to protect ongoing operating spending from volatile revenue and the costs of emergencies and disasters. In its first year, the Sustainability Fund met its $2.5 billion target.

The new framework also incorporated a three-year Capital Plan worth $5.5 billion to provide sustainable and predictable funding for roads, schools, health facilities and other infrastructure priorities.

Accumulated debt, less cash set aside for future debt reduction, sits at $3.7 billion. Lower debt means lower servicing costs, permanently freeing up money to spend on other program priorities. With continuing strong energy prices, Alberta is now within striking distance of eliminating the accumulated debt.

ADDRESSING PRIORITIES

Priority programs such as health and education continued to be at the forefront of government spending. In 2003-04, over 65% of the province's total expense was allocated to Health and Wellness, Learning, Infrastructure and Transportation.

Health reform initiatives were introduced to reduce the number of regional health authorities, implement an Alberta Electronic Health record, establish a provincial on-line Waitlist Registry and set up Health Link Alberta, a 24 hour province-wide telephone line and website. $283 million in capital funding for health facilities and equipment helped to fund new projects, including a new children's hospital in Calgary and the redevelopment of hospitals in Edmonton and Red Deer.

Alberta's Commission on Learning released its final report, with the government supporting 86 of the 95 recommendations including class-size guidelines and an increased focus on supporting Aboriginal students and students with special needs. 658 additional new post-secondary student spaces and 5,700 additional apprenticeship training seats were provided through the Access Fund. Over 27,000 students received a total of $37 million in scholarships.

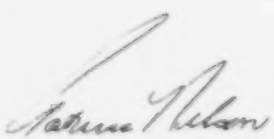
ECONOMY

Despite facing disasters such as Bovine Spongiform Encephalopathy (BSE) and forest fires, the 2003-04 fiscal year was positive. Transfers to the Sustainability Fund from higher oil and natural gas royalties enabled the government to provide over one billion dollars in emergency funding to help pay for the costs of forest fires, compensation programs for cattle producers affected by the BSE crisis, and natural gas rebates.

A strong economy brings opportunity, and Albertans benefited from the creation of 47,000 new jobs and one of the lowest unemployment rates in the country. We also continued to enjoy the highest personal disposable incomes and the lowest overall taxes in Canada.

Due to the indexation of our tax system, taxpayers were protected from inflation. School property tax rates were reduced in 2003-04, marking the tenth straight year that rates were either reduced or frozen. Businesses also saved as government reduced corporate taxes from 13% to 12.5% and the small business rate fell from 4.5% to 4%.

Alberta is in a great position to keep building on the solid foundation set over the past few years. With the innovative and fundamental changes made to the government's fiscal framework in 2003-04, our province continues to be a better place to live, now and into the future.



Patricia L. Nelson
Minister of Finance

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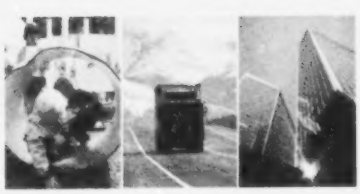
The Public Accounts of Alberta are prepared in accordance with the *Financial Administration Act* and the *Government Accountability Act*. The Public Accounts consist of the annual report of the Government of Alberta and the annual reports of each of the 24 ministries.

This annual report of the Government of Alberta contains the Minister of Finance's accountability statement, the consolidated financial statements of the Province and a comparison of the actual performance results to desired results set out in the government's business plan, including the Measuring Up report.

The annual reports of ministries, released in the fall of each year, contain Ministers' accountability statements, the audited consolidated financial statements of the ministries and a comparison of actual performance results to desired results set out in the ministries' business plans. Each ministry annual report also includes:

- financial statements of entities making up the ministry including departments (all departments combined form the General Revenue Fund), regulated funds, provincial agencies and Crown-controlled corporations,
- other financial information as required by the *Financial Administration Act* and *Government Accountability Act*, either as separate reports or as a part of financial statements, to the extent that the ministry has anything to report, and
- financial information relating to accountable organizations and trust funds.

Executive Summary



Government of Alberta
Annual Report 2003-04

The Government of Alberta Annual Report is comprised of two parts:

- ***Consolidated Financial Statements***, which provide an overall accounting of the Government's revenue and spending, and assets and liabilities.
- ***Measuring Up***, which reports on the progress that has been made towards achieving the government's goals.

Annual reports for each ministry are published in September and provide additional detailed information on performance and financial results.

Alberta 2003 Budget

Making Alberta Even Better

BUDGET 2003 COMMITMENTS

Budget 2003 focused on making Alberta a better place to live and work. It built on past successes and placed increased priority on responding to the pressures created by a growing economy and population. The *Budget* laid out a plan to:

- focus program spending on Albertans' health and education priorities and support for the agriculture industry,
- provide more sustainable and predictable funding for roads, schools, health facilities and other infrastructure through a new three-year Capital Plan, and
- help manage revenue volatility and costs of disasters and emergencies through the new Alberta Sustainability Fund.

These commitments were met:

- The budget was balanced for the tenth consecutive year and debt was repaid.
- The Alberta Sustainability Fund was established and provided over $1 billion for emergencies, disasters and natural gas rebates.
- A new Capital Framework was put into place and funding for capital projects increased by 66%. Previously deferred capital projects were rescheduled.
- Health reform continued with new initiatives to improve the health system. Health spending accounted for 35% of total expense.
- The Report of Alberta's Commission on Learning was released, with the government supporting 86 of the 95 recommendations. Education spending accounted for 27% of total expense.
- Alberta's tax advantage was strengthened. Indexation of the personal income tax system to inflation continued. Business tax rates were cut.

FISCAL HIGHLIGHTS

New Fiscal Framework

- Based on the recommendations of the Financial Management Commission, changes were made to the province's fiscal framework, including:
  - Establishment of the **Alberta Sustainability Fund** to protect the fiscal plan from revenue volatility and emergencies and disasters. Non-renewable resource revenue above $3.5 billion was deposited into the Fund and was not available for budgeted spending. The Fund was used to pay for emergencies, disasters and assistance under the *Natural Gas Price Protection Act*. Fund assets over the $2.5 billion target level were reallocated to other balance sheet improvements.
  - Reducing the minimum **economic cushion** to 1% of budgeted revenue (Contingency Allowance) plus any net positive amount required for capital cash requirements and the retained income of funds and agencies. The balanced budget requirement was modified to reflect Sustainability Fund and Capital Account transfers. In-year initiatives, other than those funded from the Sustainability Fund or Capital Account, were limited to the budgeted Contingency Allowance.
  - Establishment of a **Capital Framework** to provide more predictability to capital funding. This included the requirement for a three-year Capital Plan; establishment of a Capital Account; and allowing the use of alternative financing for capital projects.
  - Implementing **accounting changes,** as recommended by the Public Sector Accounting Board, with respect to treatment of capital spending. This included recording annual amortization costs of capital on the income statement and bringing unamortized capital assets onto the balance sheet.

Overview of Financial Results

- Revenue exceeded expense by $4 billion. This was $3 billion higher than budgeted and $2 billion higher than in 2002-03.
- Revenue was $25.9 billion, $4 billion higher than budgeted and $3.2 billion, or 14.2%, higher than in 2002-03.
- Expense was $21.9 billion. This was $962 million higher than budgeted and $1.2 billion, or 5.8%, higher than in 2002-03.
- Accumulated debt net of cash set aside for future debt repayment was reduced to $3.7 billion, a reduction of $1 billion from March 31, 2003.
- Alberta Sustainability Fund assets at March 31, 2004 were $2.5 billion.
- In total, the province had net assets of $21.1 billion, including capital assets of $10.5 billion.
- The year-end results showed about an $800 million improvement from the *Third Quarter Fiscal Update* forecast. This primarily reflected stronger revenue growth in the fourth quarter, related to energy royalties and investment income, and lower than forecast expenses for Bovine Spongiform Encephalopathy (BSE) assistance and other programs.

Adjusting for the higher retained income of funds and agencies, capital cash requirements, and other cash adjustments resulted in $510 million being available for transfer to the Sustainability Fund. This transfer took place after March 31, 2004 and brought the value of the Fund to $3 billion. A decision regarding the potential reallocation of Sustainability Fund assets above the $2.5 billion target level will be made in 2004-05.

Fiscal Summary

(millions of dollars)

		2003-04			2002-03
		Budget	3rd Quarter	Actual	Actual
1	**Revenue**	**21,928**	**25,338**	**25,887**	**22,662**
2	**Expense**				
3	Program	20,335	21,731	21,480	20,053
4	Debt servicing costs	465	280	271	476
5	Pension provisions	121	120	132	156
6	**Total Expense**	**20,921**	**22,131**	**21,883**	**20,685**
7	**Revenue in Excess of Expense**	**1,007**	**3,207**	**4,004**	**1,977**
8	Removal of pension provisions[a]	121	120	132	156
9	**Net Revenue** *(Fiscal Responsibility Act)*	**1,128**	**3,327**	**4,136**	**2,133**
10	Transfer from Capital Account	416	416	416	
11	Retained income/capital cash requirements	(58)	(135)	(276)	
12	Net transfer from (to) Sustainability Fund	(1,276)	(3,608)	(4,276)	
13	Contingency Allowance	210	-	-	
14	**Sustainability Fund** (net transfer)	**1,276**	**3,608**	**4,276**	
15	Cash adjustments	941	678	520	
16	Sustainability Fund prior to reallocation	2,217	4,286	4,796	
17	Less:				
18	Debt Retirement allocation	-	893	893	
19	Capital Account allocation	-	893	893	
20	**Sustainability Fund assets at March 31, 2004**	**2,217**	**2,500**	**2,500**	
21	**Cash transferred after March 31 to Sustainability Fund**[b]	-	-	**510**	

[a] For purposes of the *Fiscal Responsibility Act*, expense does not include the annual change in unfunded pension obligations. These obligations are scheduled to be eliminated under a separate legislated plan.

[b] $510 million of cash became available for transfer to the Sustainability Fund as a result of the improvement in 2003-04 fourth quarter results. The cash was not transferred to the Sustainability Fund until after March 31, 2004.

ECONOMIC AND TAX HIGHLIGHTS

Economic Highlights

- In 2003, the Alberta economy grew by an estimated 3.1%.
- In 2004, Alberta's economic growth is expected to accelerate to 3.6%, as high energy prices, near-record housing starts, and exceptionally strong employment growth continue.
- Employment grew by 2.9%, as 47,900 jobs were created in Alberta during 2003, the highest rate of job growth in Canada. Alberta registered the second lowest unemployment rate among the provinces in 2003, at 5.1%.
- Alberta had the highest personal disposable income per capita among the provinces at $26,170. This was nearly $3,500, or 15%, higher than the national average.
- Alberta's strong economy continued to attract large numbers of migrants from other provinces. For the seventh consecutive year, Alberta had the highest level of net inter-provincial migration in Canada, with a net increase of 12,081 persons in 2003.
- With a population estimated to be 3,153,723 as of July 1, 2003, Alberta led the country in overall population growth, at 1.3%.
- Higher energy prices spurred a sharp increase in conventional energy sector investment. The average number of rigs drilling increased by 36% in 2003. This more than offset a reduction in oil sands investment, which moderated to $5 billion after reaching a record high of $6.7 billion in 2002.
- New housing construction continued at near-record levels. Alberta's housing starts moderated to 36,171 in 2003, slightly below the 20-year high recorded in 2002, but 23% above the average number of starts over the preceding five years.
- About $650 million in BSE disaster assistance mitigated, to a degree, the significant difficulties faced by many producers. As a result of record program payments, farm cash receipts were up 2% from the 1997-2001 five-year average.
- Alberta's inflation rate returned to low levels in the latter part of 2003, following two years of relatively high inflation (which was due in large part to inflation measurement anomalies associated with natural gas rebates). While Alberta's inflation averaged 4.4% for 2003 as a whole, the inflation rate declined steadily in the second half of the year, falling to a year-over-year rate of 1.2% in December.

Tax Highlights

- Albertans continued to pay the lowest personal taxes in Canada in 2003 and indexation of the personal income tax system protected taxpayers from inflation.
- On April 1, 2003, the general corporate income tax rate was reduced to 12.5% from 13%. The small business rate fell to 4.0% from 4.5%, and the small business income threshold rose to $400,000 from $350,000.
- School property tax rates were frozen in 2003-04, marking the tenth straight year that rates were either reduced or frozen. More revenue was collected from the tax because new homes and businesses were built and the value of properties rose. The revenue collected in 2003-04 was still lower than when the province assumed responsibility for collecting school property taxes in 1994-95.
- Two tax changes were made in-year. The tax on cigars was reduced and international passenger and cargo flights that either land in or take off from Alberta were exempted from the 1.5 cent per litre aviation fuel tax. The cost in 2003-04 of these in-year tax changes was approximately $5 million.

Performance Measures

- Albertans had the highest personal disposable income.
- Alberta has the lowest total provincial and municipal tax load among Canadian provinces.

PROGRAM AND CAPITAL HIGHLIGHTS

- Total expense was $21.9 billion in 2003-04, 5.8%, or $1.2 billion, higher than in 2002-03. The increase was primarily due to higher spending on health, education and social services, increased capital grants to local authorities, and natural gas rebates.
- Total expense was $962 million higher than budgeted primarily due to BSE agriculture assistance, increased forest fire-fighting costs and the provision of natural gas rebates.
- Health and education accounted for 62% of total expense. Health spending increased by 10.4% and education spending by 7.1%.
- 2003-04 was the first year of the government's new capital framework. Capital Plan spending reached $1.66 billion in 2003-04, an increase of $662 million, or 66%, from 2002-03.

Program and Capital Spending

(millions of dollars)

	2003-04		2002-03
	Budget	Actual	Actual
Base operating expense	18,846	19,054	17,924
Expense for capital purposes[a]	1,489	1,415	806
Emergencies/disasters/natural gas rebates	-	1,011	1,323
Debt servicing costs	465	271	476
Pension provisions	121	132	156
Total Expense	**20,921**	**21,883**	**20,685**
Total Capital Plan Spending[b]	**1,676**	**1,659**	**997**

[a] 2003-04 actuals included $920 million in capital grants to local authorities, $106 million for highway planning and rehabilitation, and $389 million in capital amortization; did not include $633 million in capital investment in government-owned infrastructure.

[b] Capital Plan spending included capital grants to local authorities and highway planning and rehabilitation costs (both reported in expense) and capital investment in government-owned infrastructure (not reported in expense).

Expense by Function

(millions of dollars)

	2003-04		2002-03
	Budget	Actual	Actual
Health	7,651	7,634	6,917
Education	5,766	5,850	5,461
Social services	2,230	2,265	2,108
Agriculture, resource management and economic development	1,408	2,056	2,306
Transportation, communications and utilities	857	1,020	652
Protection of persons and property	704	842	901
Regional planning and development	438	446	484
Recreation and culture	280	273	231
Environment	161	164	147
Housing	125	158	132
General government	715	772	714
Debt servicing costs	465	271	476
Pension provisions	121	132	156
Total Expense	**20,921**	**21,883**	**20,685**

EXPENSE HIGHLIGHTS (BY FUNCTION)

Health

- Health spending was $7.6 billion in 2003-04. This was an increase of 10.4%, or $717 million, from 2002-03 and essentially unchanged from the budget. The increase reflects higher funding for regional and province-wide health services, physician services, drug costs, and capital grants to health authorities.
- **Major initiatives** included:
  - Reducing the number of regional health authorities (RHAs) from 17 to 9, and transferring community and facility-based mental health services to RHAs.
  - Implementation of the Alberta Electronic Health Record. This will allow health care providers to gain immediate access to a patient's records, which will result in faster, more accurate diagnosis and treatment, and safer patient care. As at March 31, 2004, a total of 5,500 users had access to the Electronic Health Record.
  - Eight-year agreement with the Alberta Medical Association and Alberta's health regions, changing how physicians, health regions and government work together to improve patient care. It includes $100 million over 3 years to support 24-hour per day access to local primary care services and $66 million to link physicians to the Alberta Electronic Health Record.
  - Expansion of alternative payment programs that will give physicians more flexibility in how health services are provided, including primary care, specialized care for chronic diseases and mental health services and will allow academic physicians more time for research and teaching. Currently, over 400 physicians are in alternate payment programs.
  - Implementation of the Health Link Alberta, which provides a 24-hour per day, province-wide telephone and website access to health information in order to help Albertans determine the appropriate level of health service that they may need.
  - Establishment of a provincial on-line Waitlist Registry for selected surgeries, MRIs, CT scans, radiation and chemotherapy.
- **Capital Plan spending** included $268 million in capital grants to health authorities for facilities and equipment, an increase of $242 million from 2002-03. In addition, $15 million was provided for government-owned health capital. Capital funding included support for:
  - Alberta Children's Hospital in Calgary and the Alberta Heart Institute in Edmonton, redevelopment of the Royal Alexandra Hospital in Edmonton and the Red Deer Regional Hospital, and increased support for medical equipment.
  - The Health Sustainability Initiative, which allows for the redevelopment of existing health facilities, primarily in the rural areas. The focus is on facility conversions (e.g. from acute to long-term care), consolidating services, integrating mental health clinics and new service delivery models.
- *Performance Measures*
  - 86% of Albertans surveyed rated the quality of health care they received as excellent or good.
  - 85% of Albertans surveyed rated their access to physician services as easy or very easy.
  - 73% of Albertans surveyed rated their access to hospital services as easy or very easy.
  - 95% of health facilities were rated as being in acceptable condition.

Education

- Education spending was $5.9 billion in 2003-04. This was an increase of 7.1%, or $389 million, from 2002-03 and $84 million higher than budgeted. The increase from 2002-03 reflects higher basic and post-secondary operating grants, increased teacher pension costs and a doubling of funding for education capital projects.
- **Major initiatives** included:
  - Release of the Report of Alberta's Commission on Learning. The government supported 86 of the 95 recommendations. Three recommendations remain under review. In-year funding was provided to cover what the Commission identified as an immediate funding shortfall.
  - Development of a new funding framework for school jurisdictions. Under the new framework, increases to school boards vary based on their individual profiles including student population, differential operating costs and provincial priorities. Boards have increased flexibility to address local priorities, including student needs and class size.
  - Enactment of the *Post-secondary Learning Act*, which established the Campus Alberta Quality Council. The Council will facilitate the development and expansion of degree-granting opportunities for students.
  - Increased support, through the Access Fund, allowed for the creation of 658 additional new entry spaces with the major focus on health programs such as Licensed Practical Nursing, paramedicine, psychiatric nursing, pharmacy and health sciences. As well, 5,700 additional apprenticeship training spaces were created.
  - Fifteen publicly funded colleges and technical institutes launched eCampus Alberta and began collaborating to increase access to online learning opportunities. This will enhance efficiency and increase access for students across the system by sharing courses over the Internet.
  - $37 million in scholarships were provided to about 27,700 students in 2003-04. The amount of scholarship money available for Alexander Rutherford Heritage Scholarships was increased to address an increase in eligible applicants.
  - $88 million in student loans were disbursed in 2003-04. The Alberta Student Loan Relief Benefit and the Loan Relief Completion Payment continued to reduce debt automatically for students in their first and final years of study, respectively. These programs provided $54 million in debt reduction in 2003-04.
- **Capital Plan spending** included $255 million in capital grants to school and post-secondary institution capital projects, double the 2002-03 level. This included support for:
  - Schools – 44 new/replacement projects, 20 expansion projects and numerous smaller school facilities projects.
  - Post-secondary institutions – Health Research Innovation centres, Natural Resources Engineering Facility and power plant expansion at the University of Alberta, and numerous smaller post-secondary projects.
- *Performance Measures*
  - 89% of Albertans aged 25-34 have completed high school.
  - 57% of Albertans aged 25-34 have completed post-secondary education.
  - 78% of Alberta's Grade 9 students met acceptable standards on provincial achievement tests in language arts.
  - 63% of Alberta's Grade 9 students met acceptable standards on provincial achievement tests in mathematics.
  - 94% of schools and 84% of post-secondary institutions were estimated to be in acceptable condition.

Social Services

- Social Services spending was $2.3 billion in 2003-04. This was an increase of 7.4%, or $157 million, from 2002-03 and a $35 million increase from the budget. The increase from 2002-03 reflects higher spending on children's services, persons with developmental disabilities, Assured Income for the Severely Handicapped, Supports for Independence and seniors' programs.
- **Major initiatives** included:
  - Emphasis on early intervention programs for children at risk and implementation of the Alberta Response Model to help ensure children, youth, and families live in stable, nurturing environments.
  - Introducing the Supplementary Accommodation Benefit to assist low-income seniors with increased long-term care accommodation costs.
  - Providing seniors with one-time assistance to offset high energy utility costs.
  - Increasing Supports for Independence payments to families with children and to people who are not expected to work by $20 per month. In addition, family benefits under Supports for Independence increased by $14 per month, per child, as a result of flowing through the corresponding increase in the National Child Benefit.
  - Enabling access to health coverage through the Alberta Adult Health Benefit for qualified adults who leave income support under both the Assured Income for the Severely Handicapped and Supports for Independence programs as a result of increased income.
- *Performance Measures*
  - 85% of Alberta's children were living at or above the Market Basket Measure low-income threshold (2000).
  - 88% of Albertans were living at or above the Market Basket Measure low-income threshold (2000).

Agriculture, Resource Management and Economic Development

- Agriculture, Resource Management and Economic Development spending was $2.1 billion in 2003-04. This was a decrease of 10.8%, or $250 million, from 2002-03 but $648 million higher than budgeted. The increase from budget was primarily due to agriculture disaster assistance. The decrease from previous year reflected the large drought assistance payments made in 2002-03.
- **Major initiatives** included:
  - Providing about $650 million in disaster assistance to the agriculture sector following the border closure to beef exports due to the discovery of BSE. This disaster assistance was partly offset by over $230 million in federal transfers related to BSE assistance.
  - Signing of the federal-provincial implementation agreement for the five-year Agriculture Policy Framework, resulting in the creation of the Canadian Agricultural Income Stabilization program.
- *Performance Measures*
  - Alberta's labour productivity is the highest among the provinces.
  - 30% of Alberta's real Gross Domestic Product (GDP) contributed by manufacturing and knowledge-intensive service industries (preliminary).
  - Alberta has the second highest business use of the Internet among provinces.

Transportation, Communications and Utilities

- Transportation, Communications and Utilities spending was $1 billion in 2003-04. This was an increase of 56.4%, or $368 million, from 2002-03 and $163 million increase from budget. The increase from 2002-03 primarily reflects natural gas energy rebates and increased rural and municipal capital transportation grants. This spending does not include capital investment on provincial government-owned transportation and communication networks.
- **Major initiatives** included:
  - Implementation of the new capital framework to provide more predictable capital funding on transportation and other infrastructure projects.
  - Payment of $214 million in rebates to Albertans under the Natural Gas Rebate Program to help offset the increase in natural gas costs.
  - Enactment of the *Traffic Safety Act*, replacing the *Highway Traffic Act*, *Motor Vehicle Administration Act*, *Motor Transportation Act* and *Off-Highway Act*. The new Act included a Graduated Driver Licensing program, new standard and safety policies for commercial vehicle equipment and updated fines.
- *Performance Measures*
  - 89% of provincial highways were in acceptable physical condition.
  - 96% of water management infrastructure were in acceptable physical condition (1999).

Protection of Persons and Property

- Protection of Persons and Property spending was $842 million in 2003-04. This was a decrease of 6.5%, or $59 million, from 2002-03 but $138 million higher than budgeted. The decrease from 2002-03 reflects lower forest fire-fighting costs partly offset by increases in other areas including drivers licences, public security, legal services and court services. Spending was higher than budgeted due to forest fire-fighting costs.
- **Major initiatives** included:
  - Establishing an Integrated Response to Organized Crime and Gangs initiative, comprised of members of the RCMP and the Edmonton and Calgary police services.
  - Introducing a new Alberta driver's licence with added security to help protect Albertans from identity fraud.
  - Pilot project using video conferencing in Alberta's courts.
- *Performance Measures*
  - Alberta had the lowest violent and property crime rates among the four western provinces.
  - 79% of Albertans surveyed feel somewhat to very comfortable walking alone in their neighborhoods at night.

Other Program Expense

- Other program expense was $1.8 billion in 2003-04. This was an increase of 6.1%, or $105 million, from 2002-03 and $94 million higher than budgeted. The increase from 2002-03 was related to a range of initiatives including the Canada/Alberta Affordable Housing Agreement and the Community Initiatives Program.
- **Major initiatives** included:
  - Increasing funding under the Canada/Alberta Affordable Housing Agreement to facilitate the development of an additional 872 affordable housing units in Edmonton, Calgary, Lethbridge, Leduc, Brooks, Cochrane, Fort McMurray, Grande Prairie, Red Deer and Rocky Mountain House.
  - $25 million was awarded for 35 community-based projects under the Centennial Legacies Grant Program for recreational and cultural facilities, heritage sites and museums.
  - Introducing ME first!, the Municipal Energy Efficiency Assistance Program, which will allow Alberta municipalities to access interest-free loans for energy efficiency projects.

- Releasing the *Water for Life: Alberta's Strategy for Sustainability*. The plan outlines a series of actions aimed at ensuring Albertans have safe, secure drinking water, healthy aquatic ecosystems, and a reliable water supply to promote provincial economic development.

- *Performance Measures*
  - Surface water and air quality remained high.
  - 80% of adult Albertans surveyed participated in sport and recreational activities.
  - 98% of visitors were satisfied with provincial historic sites, museums and interpretative centres.

Debt Servicing Costs

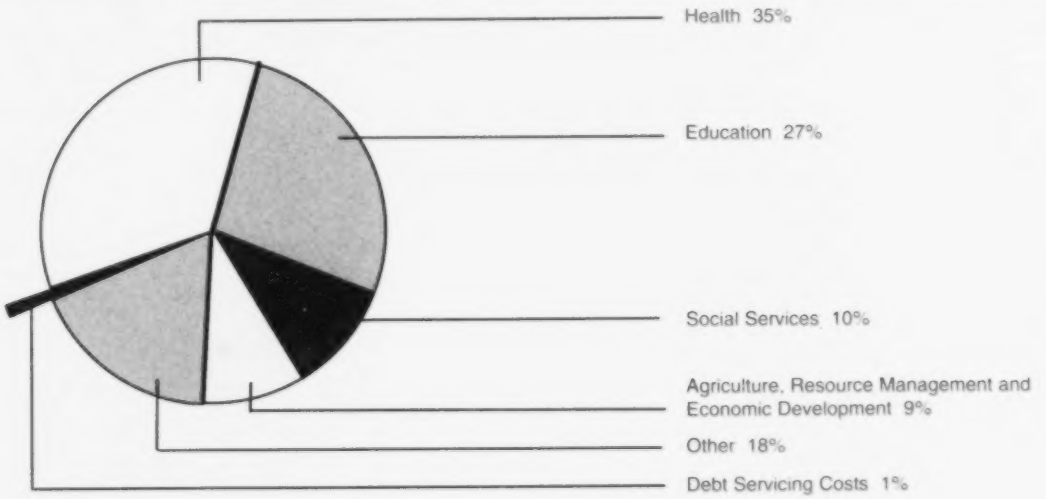
- Debt Servicing Costs were $271 million in 2003-04. This was $205 million lower than in 2002-03 and $194 million lower than estimated in the budget. Lower debt servicing costs reflected lower debt levels and the appreciation of the Canadian dollar relative to the U.S. dollar. This reduced the cost of debt held in U.S. dollars.

Pension Provisions

- Pension Provisions were $132 million in 2003-04. This was $24 million lower than in 2002-03 but $11 million higher than estimated in the budget. The decrease from 2002-03 reflected stronger returns of pension funds.

2003-04 Expense

$21.9 Billion



CAPITAL PLAN PRIORITIES

- Capital spending was $1.66 billion in 2003-04, an increase of $662 million, or 66% from 2002-03. Capital spending includes capital investment in government-owned assets, grants to local authorities for capital purposes and other infrastructure support.
- The increase from 2002-03 reflected significantly higher spending on transportation infrastructure, and health and education facilities and equipment.
- The slightly lower than budgeted capital spending in 2003-04 primarily reflects revised project schedules.
- Alberta continues to lead the country in capital spending as a percentage of total spending.

Capital Plan Summary

(millions of dollars)

	2003-04		2002-03
	Budget	Actual	Actual
Provincial highway network	457	455	370
Municipal transportation grants	242	221	102
Health facilities and equipment	284	283	43
Schools	136	130	81
Post-secondary facilities	135	125	44
Water and wastewater management	86	79	95
Community facilities	64	64	40
Housing	44	52	32
Other infrastructure programs	87	51	92
General government capital	141	199	98
Total Capital Plan	**1,676**	**1,659**	**997**

- In 2003-04, $920 million in capital grants were provided to local authorities, including schools, post-secondary institutions, health facilities and municipal governments. This was more than double the level of capital grants in 2002-03.
- Spending on provincial government-owned capital was $739 million, a 18% increase from 2002-03.

Capital Plan Allocations

(millions of dollars)

	2003-04		2002-03
	Budget	Actual	Actual
Capital grants to local authorities	969	920	369
Provincial highway planning and rehabilitation	92	106	91
Capital investment in government-owned projects	615	633	537
Total Capital Plan	**1,676**	**1,659**	**997**

REVENUE HIGHLIGHTS

Total Revenue

- Total revenue was $25.9 billion. This was $3.2 billion, or 14.2%, higher than in 2002-03, and $4 billion higher than budgeted. Higher investment income, federal transfers and non-renewable resource revenue were the main reasons for the increase from 2002-03. The increase from budget was largely due to higher non-renewable resource revenue.

Non-renewable Resource Revenue

- Non-renewable resource revenue was $7.7 billion. This was $546 million higher than in 2002-03 and $2.9 billion higher than budgeted.
- Energy prices remained strong in 2003-04, reflecting continuing high world oil demand, delays in the return of Iraqi production, strong economic growth in the United States and continuing concerns over North American natural gas supply. Partly offsetting the impact of higher energy prices was the strengthening Canadian dollar relative to the United States dollar.
- Natural gas prices averaged Cdn$5.75 per thousand cubic feet. This was 77 cents higher than in 2002-03 and $1.70 higher than budgeted. Over the last six years, the average annual natural gas price has ranged from as low as $2 per mcf and to as high as $6 per mcf.
- Oil prices averaged US$31.35 per barrel (WTI). This was $2.22 higher than in 2002-03 and $8.05 higher than the budget estimate. Over the last six years, the average annual oil price has ranged from as low as US$13 and to as high as US$31.

Tax Revenue

- Tax revenue was $9.3 billion. This was a decrease of $274 million from 2002-03 and $537 million lower than budgeted. The decreases were due to lower personal and corporate income tax revenue partly offset by higher revenue from other tax sources.
- Personal income tax revenue was $4.6 billion. This was $221 million, or 5%, lower than recorded in 2002-03. The decrease reflected updated federal tax assessment information for the 2002 tax year. Based on this updated information, 2002-03 actual personal income tax revenue was approximately $200 million lower than reported in the 2002-03 year-end statements. This also reduces the 2003 tax year assessment estimates. Excluding prior year adjustments, personal income tax revenue grew by about 3%.
- Corporate income tax revenue was $1.7 billion. This was about $320 million lower than in 2002-03 and the budget estimate. The decline was due primarily to higher than expected tax refunds for 2002 and previous tax years, which were paid in the 2003-04 fiscal year, and 2003-04 reductions in corporate income tax rates.

Revenue
(millions of dollars)

	2003-04		2002-03
	Budget	Actual	Actual
Personal income taxes	5,035	4,613	4,834
Corporate income taxes	2,016	1,696	2,019
Other taxes	2,811	3,016	2,746
Non-renewable resource revenue	4,776	7,676	7,130
Transfers from Government of Canada	2,386	2,926	2,074
Net income from commercial operations	1,795	1,882	1,849
Net investment income (loss)	1,019	1,838	(462)
Fees, permits and licences	1,725	1,814	1,644
Other	365	426	828
Total Revenue	**21,928**	**25,887**	**22,662**

- Other tax revenues were $3 billion. This was $270 million higher than in 2002-03 and $205 million higher than the budget estimate. The increases were attributable to revenues from freehold mineral rights tax, tobacco tax, school property tax, fuel taxes and insurance taxes. Only the hotel tax revenue was lower than the previous year and the budget estimate.

Transfers from Government of Canada

- Transfers from Government of Canada were $2.9 billion. This was $852 million higher than in 2002-03 and $540 million higher than the budget estimate. The increases were primarily due to higher Canada Health and Social Transfers (CHST) and increased federal agriculture transfers, primarily related to BSE.

Investment Income

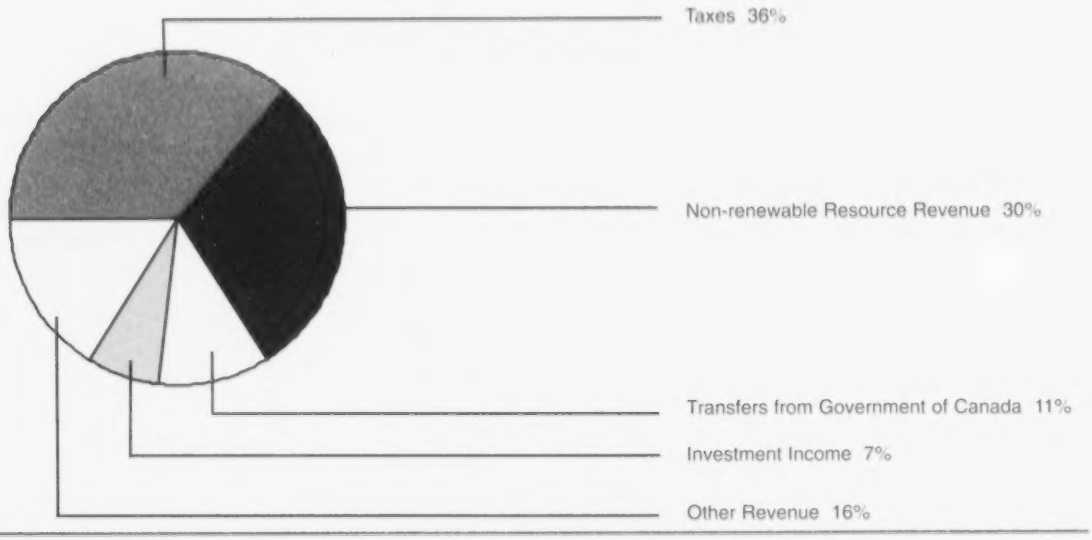
- Investment income was $1.8 billion. This was a $2.3 billion difference from 2002-03 when a net loss of $462 million was recorded. The loss in 2002-03 reflected net realized losses and the write-down in values of financial assets due to weak equity markets. In 2003-04, investment income returned to historically more normal levels as equity markets recovered. This recovery was quicker and stronger than had been expected, resulting in investment income being $819 million higher than estimated in the budget.

Other Revenue

- Revenue from all other sources was $4.1 billion. This was $199 million lower than 2002-03 but $237 million higher than estimated in the budget. The decline was due to significant one-time or non-recurring revenue in 2002-03 including forest fire insurance, agriculture re-insurance recoveries, Alberta Dairy Control Board and the Alberta Capital Finance Authority transfer to government revenue. The increase from budget reflected higher net income from commercial operations and higher timber royalties and fees.

2003-04 Revenue

$25.9 Billion



ALBERTA SUSTAINABILITY FUND

- The Sustainability Fund was established to protect spending from volatile revenue and the costs of emergencies and disasters. At March 31, 2004, it had $2.5 billion of financial assets.
- The Sustainability Fund received non-renewable resource revenue above $3.5 billion and paid for the costs of emergencies and disasters and natural gas rebates. It also received additional revenue from the higher than budgeted surplus. (Note: the amount of non-renewable resource revenue that can be used for budget purposes was increased to $4 billion in 2004-05).
- The target level for the Fund was $2.5 billion. After reaching this amount the government can reallocate assets to other balance sheet improvements.
- The *Third Quarter Fiscal Update*, released in February 2004, forecast the Sustainability Fund would reach $4.3 billion, prior to any reallocations. Of this amount, $893 million was reallocated to each of the Capital Account and Debt Retirement Account. This left the Sustainability Fund at a forecast $2.5 billion.
- Net Revenue was $809 million higher than forecast in the *Third Quarter Fiscal Update*. Of this amount $141 million was retained by funds and agencies (including endowment funds, Alberta Treasury Branches, Agriculture Financial Services Corporation) or was required for capital cash requirements. Other cash adjustments, primarily related to natural gas royalties, further reduced the additional cash available for transfer to the Sustainability Fund to $510 million.
- Because of timing, this additional $510 million was not transferred until after March 31, 2004. This brings the value of Sustainability Fund to $3 billion. A decision regarding the potential reallocation of Sustainability Fund assets above the $2.5 billion target level will be made in 2004-05.

Alberta Sustainability Fund

At March 31, 2004
(millions of dollars)

			Change from	
	Budget	Actual	Budget	3rd Quarter
Assets at start of year	-	-	-	-
Non-renewable resource revenue transfer from general revenue	1,276	4,176	2,900	230
Transfer for disaster and emergency program expense	-	(797)	(797)	118
Transfer for the Natural Gas Rebate Program expense	-	(214)	(214)	2
Other net transfers[a]	-	1,111	1,111	318
Net transfer to Sustainability Fund prior to cash adjustments	1,276	4,276	3,000	668
Cash adjustments:				
Natural gas royalties	914	677	(237)	(165)
Other	27	(157)	(184)	7
	941	520	(421)	(158)
Assets at End of Year (prior to reallocation)	**2,217**	**4,796**	**2,579**	**510**
Less:				
Allocation to Debt Retirement Account	-	893	893	-
Allocation to Capital Account	-	893	893	-
Sustainability Fund assets at March 31, 2004	**2,217**	**2,500**	**283**	**-**
Cash transferred after March 31 to Sustainability Fund	**-**	**510**	**510**	**510**

[a] Includes higher than budgeted revenue (excluding non-renewable resource revenue) and savings from lower debt servicing costs.

NET FINANCIAL AND CAPITAL ASSETS

- **Net Assets** – As of March 31, 2004, the Government of Alberta had net assets of $21.1 billion. This included capital assets of $10.5 billion.
- **Accumulated Debt** – Accumulated debt, net of cash set aside in the Debt Retirement Account, was $3.7 billion. This was a $1 billion reduction from March 31, 2003.
- **Capital Account** – The Capital Account had financial assets of $1.18 billion. These funds have been set aside to pay for capital projects over the next three years.

  In 2003-04, the Capital Account started with $910 million in financial assets. During the year, a further $893 million was added to the Capital Account and $623 million was withdrawn for funding capital projects.

Accumulated Debt

(millions of dollars)

	2002-03	2003-04
Accumulated debt (start of year)	8,416	6,746
Repayment of debt maturities	1,670	1,775
Accumulated debt (end of year)	6,746	4,971
Cash set aside for future debt payment	2,010	1,241
Accumulated debt less cash set aside	**4,736**	**3,730**

Capital Account

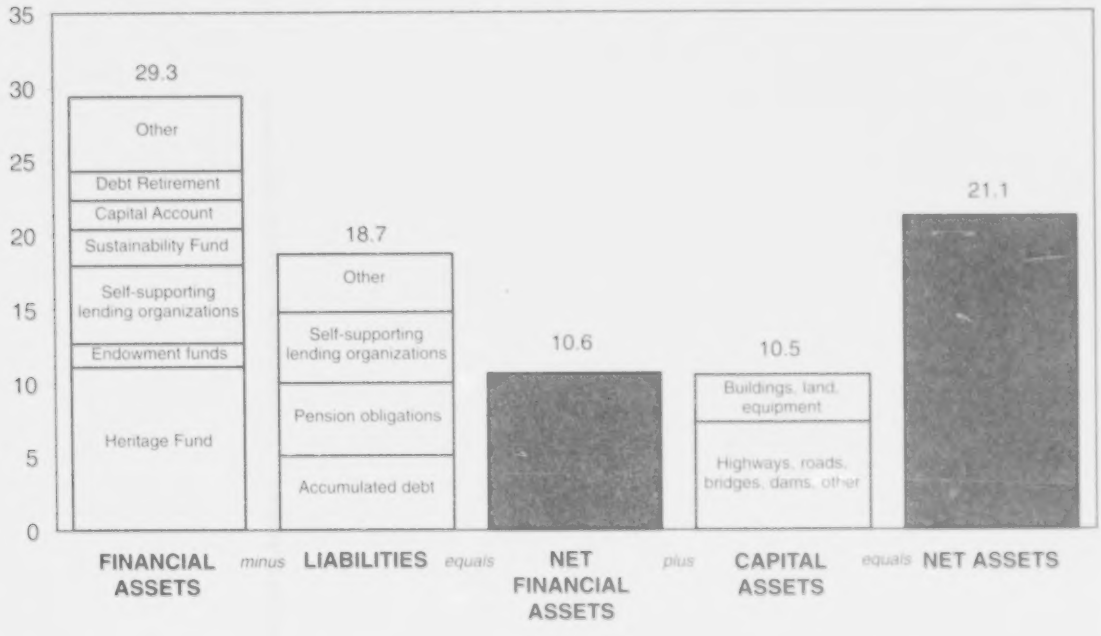
(millions of dollars)

	2003-04	
	Budget	Actual
Assets (start of year)	910	910
Withdrawals	(623)	(623)
Allocations from Sustainability Fund	–	893
Assets (end of year)	**287**	**1,180**

Assets, Liabilities and Net Assets

At March 31, 2004

(billions of dollars)



Historical Fiscal Summary, 1985-86 to 2003-04[a]

(millions of dollars)

		A 1985-86	B 1986-87	C 1987-88	D 1988-89	E 1989-90	F 1990-91	G 1991-92	H 1992-93	I 1993-94	J 1994-95	K 1995-96	L 1996-97	M 1997-98	N 1998-99	O 1999-00	P 2000-01	Q 2001-02	R 2002-03	S 2003-04
INCOME STATEMENT																				
	Revenue																			
1	Personal income tax	1,521	1,768	2,236	2,039	2,536	2,796	3,057	2,794	2,877	3,063	3,177	3,445	3,677	4,601	5,100	3,943	4,183	4,834	4,613
2	Corporate income tax	780	396	595	697	700	803	731	637	854	1,073	1,332	1,407	1,849	1,659	1,255	2,023	2,229	2,019	1,696
3	School property tax	660	686	729	769	824	915	1,027	1,115	1,168	1,196	1,205	1,169	1,212	1,118	1,128	1,151	1,094	1,113	1,178
4	Other tax revenue	341	262	553	679	683	878	1,029	1,055	1,053	1,126	1,112	1,157	1,218	1,178	1,241	1,386	1,469	1,633	1,838
5	Resource revenue	4,932	1,892	2,626	2,085	2,240	2,668	2,022	2,183	2,817	3,378	2,786	4,034	3,778	2,368	4,650	10,586	6,227	7,130	7,676
6	Investment income	2,161	1,965	1,847	1,834	1,891	2,125	2,155	1,711	1,837	1,567	1,724	1,616	1,747	1,610	1,906	1,353	788	(462)	1,838
7	Other own-source revenue	1,111	959	1,407	1,662	2,022	1,615	1,566	2,319	2,710	2,832	2,431	2,473	2,890	2,950	3,183	3,272	3,672	4,321	4,122
8	Total own-source revenue	11,506	7,928	9,993	9,765	10,896	11,820	11,587	11,814	13,316	14,235	13,767	15,301	16,571	15,484	18,463	23,714	19,662	20,568	22,961
9	Federal transfers	1,788	1,689	1,912	2,135	1,943	2,365	2,150	2,457	2,090	1,929	1,748	1,351	1,183	1,335	1,640	1,813	2,264	2,074	2,926
10	Total Revenue	13,294	9,617	11,905	11,900	12,839	14,185	13,737	14,271	15,406	16,164	15,515	16,652	17,754	16,819	20,103	25,527	21,926	22,662	25,887
	Expense by Function[b]																			
11	Health	3,003	3,244	3,114	3,372	3,631	3,895	4,129	4,352	4,194	3,928	3,773	4,006	4,401	4,660	5,341	5,946	6,846	6,917	7,634
12	Basic / advanced education	2,961	3,114	3,118	3,227	3,379	3,532	3,676	3,904	4,036	3,756	3,713	3,738	4,081	4,241	4,735	5,040	6,099	5,461	5,850
13	Social services	1,156	1,270	1,329	1,434	1,502	1,567	1,746	1,889	1,721	1,495	1,456	1,511	1,564	1,560	1,668	1,790	1,942	2,108	2,265
14	Other program expense	6,753	5,725	5,137	5,077	5,328	5,741	5,501	6,031	5,172	4,301	3,739	3,446	3,727	3,885	4,612	5,200	5,184	5,567	5,731
15	Total program expense	13,873	13,353	12,698	13,110	13,840	14,735	15,052	16,176	15,123	13,480	12,681	12,701	13,773	14,346	16,356	17,976	20,071	20,053	21,480
16	Debt servicing costs	182	297	572	797	1,115	1,282	1,314	1,419	1,654	1,746	1,680	1,462	1,322	1,379	956	980	774	476	271
17	Total Expense	14,055	13,650	13,270	13,907	14,955	16,017	16,366	17,595	16,777	15,226	14,364	14,163	15,095	15,725	17,312	18,956	20,845	20,529	21,751
18	**Net Revenue (Spending)**[b]	**(761)**	**(4,033)**	**(1,365)**	**(2,007)**	**(2,116)**	**(1,832)**	**(2,629)**	**(3,324)**	**(1,371)**	**938**	**1,151**	**2,489**	**2,659**	**1,094**	**2,791**	**6,571**	**1,081**	**2,133**	**4,136**
BALANCE SHEET																				
19	Net Financial Assets (Debt)[c]	11,187	7,784	6,419	4,412	2,296	464	(2,165)	(7,054)	(8,313)	(7,355)	(6,255)	(3,728)	(1,089)	(63)	2,654	9,042	9,814	11,696	15,607
20	Capital Assets[d]	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	8,220	7,663	7,411	7,292	7,215	7,218	7,259	8,002	10,141	10,309	10,534
21	Pension obligations	(5,500)	(6,625)	(7,946)	(8,004)	(8,243)	(6,156)	(5,774)	(4,770)	(5,066)	(5,352)	(5,352)	(4,961)	(4,890)	(4,813)	(4,728)	(4,742)	(4,771)	(4,927)	(5,059)
22	**Net Assets (Debt)**	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(5,159)	(5,038)	(4,196)	(1,417)	1,236	2,342	5,185	12,302	15,184	17,078	21,082
23	**Accumulated Debt**[e]	4,953	10,091	11,105	13,069	15,527	16,647	17,406	20,305	22,701	21,451	20,531	17,733	14,976	14,106	12,020	8,195	5,261	4,736	3,730

a Numbers have been restated on 2003-04 basis where possible. Numbers for 2001-02 forward are fully comparable. For the period 1992-93 to 2000-01 numbers are essentially comparable to the 2003-04 presentation with exception of the treatment of disposal of capital assets (in most years variance of less than $100 million). Prior to 1992-93, spending is on an expenditure basis, using actual capital numbers rather than capital amortization costs.

b Beginning in 1996-97, valuation adjustments have been allocated by function. In prior years, all valuation adjustments were included in other program expense. Excludes change in pension obligations.

c Excludes pension obligations. Net debt was increased by $1,474 million in 1992-93 primarily for a provision for school construction debt; reduced by $125 million in 1993-94 to record personal income tax and established programs financing entitlements on an accrual basis; and increased by $32 million in 1995-96 to report some other revenues on accrual basis.

d Capital Assets information not available prior to 1992-93. In 1994-95, includes the disposal of $449 million in capital assets, (primarily transfer of secondary highways to municipalities). In 2001-02, includes $1.8 billion transfer of provincial secondary highway system from municipalities to the Province.

e Net of cash set aside for future debt repayments. In 2001-02, the amount of $5,261 million includes commitment of $414 million to debt retirement based on a higher-than-expected year-end outflow. This amount was transferred in 2002-03 from other assets.

Consolidated Financial Statements

Government of Alberta
Annual Report 2003-04

Consolidated Financial Statements of the Province of Alberta

Year ended March 31, 2004

INTRODUCTION

The financial statements in this annual report of the Government of Alberta are consolidations of ministry consolidated financial statements, which themselves are consolidations of the financial statements of departments, regulated funds, Provincial agencies and Crown-controlled corporations, for which separate financial statements are presented in ministry annual reports. A listing of these organizations is provided in Schedule 16 to the financial statements.

The method of consolidation is described in the Accounting Policies note that forms part of the financial statements.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Responsibility for the integrity and objectivity of the consolidated financial statements of the Province of Alberta rests with the government. The consolidated financial statements are prepared by the Controller under the general direction of the Deputy Minister of Finance, as authorized by the Minister of Finance pursuant to the *Financial Administration Act*. The consolidated financial statements are prepared in accordance with the government's stated accounting policies, and of necessity include some amounts that are based on estimates and judgements. As required by the *Government Accountability Act*, the consolidated financial statements are included in the consolidated annual report of the Government of Alberta that forms part of the Public Accounts.

To fulfill its accounting and reporting responsibilities, the government maintains systems of financial management and internal control which give consideration to costs, benefits and risks, and which are designed to:

- provide reasonable assurance that transactions are properly authorized, executed in accordance with prescribed legislation and regulations, and properly recorded so as to maintain accountability for public money, and
- safeguard the assets and properties of the Province of Alberta under government administration.

Under the *Financial Administration Act*, deputy heads are responsible for the collection of revenue payable to the Crown, and for making and controlling disbursements with respect to their departments. They are also responsible for prescribing the accounting systems to be used in their departments. In order to meet government accounting and reporting requirements, the Controller obtains information relating to departments, regulated funds, Provincial agencies and Crown-controlled corporations from ministries as necessary.

The consolidated financial statements are reviewed by the Audit Committee established under the *Auditor General Act*. Under the *Fiscal Responsibility Act*, the Audit Committee must report publicly to the Executive Council on the progress made in eliminating the accumulated debt. The Audit Committee advises the Lieutenant Governor in Council on the scope and results of the Auditor General's audit of the consolidated financial statements of the Province.

The Auditor General of Alberta provides an independent opinion on the consolidated financial statements prepared by the government. The duties of the Auditor General in that respect are contained in the *Auditor General Act*.

Annually, the consolidated annual report is tabled in the Legislature as a part of the Public Accounts and is referred to the Standing Committee on Public Accounts of the Legislative Assembly.

Approved on behalf of the Finance Department:

Peter Kruselnicki, P.Eng.
Deputy Minister of Finance

Tim Wiles, CA
Controller

Edmonton, Alberta
June 21, 2004

AUDITOR GENERAL
Alberta

AUDITOR'S REPORT

To the Members of the Legislative Assembly

I have audited the consolidated statement of financial position of the Province of Alberta as at March 31, 2004 and the consolidated statements of operations, change in net financial assets and cash flows for the year then ended. These financial statements are the responsibility of the Government of Alberta and are prepared on its behalf by Finance Department management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Province of Alberta as at March 31, 2004 and the results of its operations, change in its net financial assets and its cash flows for the year then ended in accordance with the disclosed basis of accounting as described in Note 1 to the consolidated financial statements.

Fred J. Dunn FCA
Auditor General

Edmonton, Alberta
June 15, 2004

Consolidated Statement of Operations

YEAR ENDED MARCH 31, 2004

In millions

	2004		2003
	Budget (Note 5)	Actual	Restated Actual (Note 2)
Revenues (Schedule 1)			
Income taxes	$ 7,051	$ 6,309	$ 6,853
Other taxes	2,811	3,016	2,746
Non-renewable resource revenue	4,776	7,676	7,130
Transfers from Government of Canada	2,386	2,926	2,074
Net income from commercial operations	1,795	1,882	1,849
Net investment income (loss)	1,019	1,838	(462)
Fees, permits and licences	1,725	1,814	1,644
Other	365	426	828
	21,928	25,887	22,662
Expenses by function (Schedules 2 and 3)			
Health	7,651	7,634	6,917
Education	5,766	5,850	5,461
Social services	2,230	2,265	2,108
Agriculture, resource management and economic development	1,408	2,056	2,306
Transportation, communications and utilities	857	1,020	652
Protection of persons and property	704	842	901
Regional planning and development	438	446	484
Recreation and culture	280	273	231
Environment	161	164	147
Housing	125	158	132
General government	715	772	714
Debt servicing costs	465	271	476
Pension provisions	121	132	156
	20,921	21,883	20,685
Excess of revenues over expenses for the year	$ 1,007	4,004	1,977
Net assets at beginning of year		17,078	15,101
Net assets at end of year		$ 21,082	$ 17,078

The accompanying notes and schedules are part of these financial statements.

Consolidated Statement of Financial Position

MARCH 31, 2004

	In millions	
	2004	**2003 Restated (Note 2)**
Financial assets		
Cash and temporary investments (Schedule 5)	$ 2,973	$ 1,711
Accounts and accrued interest receivable	2,907	3,409
Portfolio investments (Schedule 6)	16,852	15,192
Equity in commercial enterprises (Schedule 7)	1,319	1,148
Loans and advances (Schedule 8)	5,185	5,022
Inventories for resale (Schedule 9)	29	42
	29,265	26,524
Liabilities		
Accounts and accrued interest payable	3,638	3,412
Unmatured debt (Note 6) (Schedule 10)	5,228	6,893
Debt of Alberta Capital Finance Authority (Schedule 11)	4,070	3,671
Pension obligations (Schedule 12)	5,059	4,927
Other accrued liabilities (Schedule 13)	722	852
	18,717	19,755
Net financial assets	10,548	6,769
Non-financial assets		
Tangible capital assets (Schedule 14)	10,512	10,285
Inventories of supplies	22	24
	10,534	10,309
Net assets (Note 5)	$ 21,082	$ 17,078

The accompanying notes and schedules are part of these financial statements.

Consolidated Statement of Change in Net Financial Assets

YEAR ENDED MARCH 31, 2004

	In millions	
	2004	2003
Excess of revenues over expenses for the year	$ 4,004	$ 1,977
Acquisition of tangible capital assets and supplies inventory	(633)	(537)
Amortization of tangible capital assets and consumption of supplies inventory	389	346
Net gain on disposal and write-down of tangible capital assets	(27)	(19)
Proceeds on sale of tangible capital assets	46	66
Increase in net financial assets	3,779	1,833
Net financial assets at beginning of year	6,769	4,936
Net financial assets at end of year	$ 10,548	$ 6,769

The accompanying notes and schedules are part of these financial statements.

Consolidated Statement of Cash Flows

YEAR ENDED MARCH 31, 2004

	In millions	
	2004	2003 Restated (Note 2)
Operating transactions		
Excess of revenues over expenses for the year	$ 4,004	$ 1,977
Non-cash items	51	423
	4,055	2,400
Decrease (increase) in receivables	502	(1,674)
Increase (decrease) in payables	226	(168)
Other	(125)	(117)
Cash provided by operating transactions	4,658	441
Capital transactions		
Acquisition of tangible capital assets and supplies inventory	(633)	(537)
Proceeds on sale of tangible capital assets	46	66
Cash applied to capital transactions	(587)	(471)
Investing transactions		
Purchase of portfolio investments	(9,119)	(9,897)
Disposals of portfolio investments	7,655	11,383
Loans and advances made	(810)	(821)
Repayment of loans and advances	717	618
Cash (applied to) provided by investing transactions	(1,557)	1,283
Financing transactions		
Debt retirement	(15,205)	(13,261)
Debt issues	13,953	11,777
Cash applied to financing transactions	(1,252)	(1,484)
Increase (decrease) in cash and temporary investments	1,262	(231)
Cash and temporary investments at beginning of year	1,711	1,942
Cash and temporary investments at end of year	$ 2,973	$ 1,711

The accompanying notes and schedules are part of these financial statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the primary source for the disclosed basis of accounting. Recommendations of the Accounting Standards Board of the Canadian Institute of Chartered Accountants, other authoritative pronouncements, accounting literature, and published financial statements relating to either the public sector or analogous situations in the private sector are used to supplement the recommendations of the Public Sector Accounting Board where it is considered appropriate.

These financial statements are prepared in accordance with the following accounting policies.

A) REPORTING ENTITY

These financial statements include the accounts of the Offices of the Legislative Assembly and all government entities including departments, the Alberta Heritage Savings Trust Fund, and other regulated funds, Provincial agencies and Crown-controlled corporations. A listing of these organizations is provided in Schedule 16. Accountable organizations such as universities, public colleges, technical institutes, regional health authorities and school boards are not included in the consolidated financial statements.

The Public Sector Accounting Board has released new guidance that controlled entities are to be included and how they are to be included effective April 1, 2005. This may affect how the Province reports accountable organizations such as universities, public colleges, technical institutes, regional health authorities and school boards depending on whether control exists. The government has agreed in principle to include the financial statements of these entities commencing from fiscal year beginning April 1, 2006, if it is determined that control exists.

B) METHOD OF CONSOLIDATION

The accounts of the Offices of the Legislative Assembly, departments, regulated funds and Provincial agencies, except those designated as commercial enterprises, are consolidated. Revenue and expense transactions, capital, investing and financing transactions, and related asset and liability accounts between consolidated entities have been eliminated.

The accounts of Crown-controlled corporations and Provincial agencies designated as commercial enterprises are reported on the modified equity basis, the equity being computed in accordance with Canadian generally accepted accounting principles.

The year end of some Provincial agencies is other than March 31. Transactions of these agencies that have occurred during the period to March 31, 2004 and that significantly affect the consolidation have been recorded.

C) BASIS OF FINANCIAL REPORTING

Revenues

All revenues are reported on the accrual basis of accounting. Cash received for which goods or services have not been provided by year end is recorded as unearned revenue and included in accounts payable.

NOTE 1 (continued)

Expenses

Expenses represent the cost of resources consumed during the year on government operations. Expenses include provisions for amortization of acquired tangible capital assets and expenses incurred in accordance with the terms of approved grant programs, including grants for capital purposes. Grants are recognized when authorized and when eligibility criteria are met.

Pension costs comprise the cost of pension benefits earned by employees during the year, interest on the Province's share of the unfunded pension liability, and the amortization over the expected average remaining service life of employees of deferred adjustments arising from experience gains and losses and changes in actuarial assumptions. Schedule 12 provides additional information on the amortization policy relating to pensions. In the Consolidated Statement of Operations, pension costs which are funded are included in expenses by function and costs which have not been funded are recorded as pension provisions.

Costs arising from obligations under guarantees and indemnities are recorded as expenses when management determines that the Province will likely be called upon to make payment. The expense represents management's estimate of future payments less recoveries.

The estimated increase or decrease for the year in accrued employee vacation entitlements is also recorded in the appropriate expense function.

Financial Assets

Financial assets are limited to financial claims on external organizations and individuals and inventories for resale at the year end.

Temporary investments are valued at cost or fair value, whichever is lower, on an aggregate basis.

Portfolio investments, which are investments to provide income for the long term, are carried at cost. Realized gains and losses on disposals of these investments are included in the determination of excess of revenues over expenses for the year. Where there has been a loss in value of an investment that is other than a temporary decline, the investment is written down to recognize the loss. The written down value is deemed to be the new cost.

Loans are recorded at cost less any discounts and allowance for credit loss.

Inventories for resale representing the Province's share of royalty oil in feeder and trunk pipelines are stated at net realizable value. Other inventories for resale are valued at the lower of cost, determined on a first-in, first-out basis, and estimated net realizable value.

NOTE 1 (continued)

Liabilities

Liabilities include all financial claims payable by the Province at the year end.

Debentures included in unmatured debt are recorded at the face amount of the issue less net unamortized discount, which includes issue expenses and hedging costs.

Income or expense on interest rate swaps and forward interest rate agreements used to manage interest rate exposure is recorded as an adjustment to debt servicing costs. The exchange gain or loss on the foreign exchange contracts used to manage currency exposure is deferred and amortized over the life of the contract.

Liabilities also include the following:

- estimates of the present value of the Province's obligations for future pension contributions and/or benefits under defined benefit pension plans for current and former provincial and other public sector employees, and certain current and former Members of the Legislative Assembly, including deferred adjustments,
- the Province's obligation to provide future funding to school boards to enable them to repay the principal portion of their debentures to the Alberta Capital Finance Authority, and
- accrued employee vacation entitlements.

Non-financial Assets

Non-financial assets are limited to tangible capital assets and inventories of supplies.

Tangible capital assets of commercial enterprises are included in the Consolidated Statement of Financial Position within equity in commercial enterprises. Other tangible capital assets are included in non-financial assets on the Consolidated Statement of Financial Position.

Tangible capital assets on the Consolidated Statement of Financial Position are restricted to capital assets the Province acquired for cash or for other assets, and donated assets. Tangible capital assets acquired by right, such as Crown lands, forests, water and mineral resources, are not included.

Amortization of tangible capital assets is calculated on a straight line basis over the periods expected to benefit from their use (see Schedule 14), and the annual amortization is included in the expenses reported in the Consolidated Statement of Operations. The annual amortization of the costs of tangible capital assets is allocated to the functions of the government that employ those assets.

Inventories of supplies are valued at the lower of cost, determined on a first-in, first-out basis, and replacement cost.

Foreign Currency

Assets and liabilities denominated in foreign currency are translated at the year end rate of exchange.

Foreign currency transactions are translated into Canadian dollars using average rates of exchange, except for hedged foreign currency transactions which are translated at rates of exchange established by the terms of the forward exchange contracts.

Amortization of deferred exchange gains and losses and other exchange differences on unhedged transactions are included in the determination of excess of revenues over expenses for the year.

NOTE 1 (continued)

Measurement Uncertainty

Estimates are used in accruing revenues and expenses in circumstances where the actual accrued revenues and expenses are unknown at the time the financial statements are prepared. Uncertainty in the determination of the amount at which an item is recognized in financial statements is known as measurement uncertainty. Such uncertainty exists when there is a variance between the recognized amount and another reasonably possible amount, as there is whenever estimates are used.

Measurement uncertainty that is material to these financial statements exists in the accrual of personal and corporate income taxes, royalties derived from non-renewable resources, farm safety-net payments under the Canadian Agricultural Income Stabilization (CAIS) Program and corresponding contributions from the Government of Canada, and provisions for pensions and loans and advances. The nature of the uncertainty in these items arises from several factors such as the effect on accrued taxes of the verification of taxable income, the effect on accrued royalties of the receipt of revised production data and reassessments, the effect of CAIS being a new program with no historical experience, therefore the actual payments could vary from the estimates, the effect on accrued pension obligations of actual experience compared to assumptions, and the effect on loans and advances of actual collectibility and changes in economic conditions.

Personal income tax, recorded as $4,613 million (2003 $4,834 million) in these consolidated financial statements, is subject to measurement uncertainty due to the use of economic estimates of personal income growth. Use of this information in the past has resulted in a number that differs from final results by a geometric average of plus or minus $200 million over the last four years.

While best estimates have been used for reporting items subject to measurement uncertainty, management considers that it is possible, based on existing knowledge, that changes in future conditions in the near term could require a material change in the recognized amounts. Near term is defined as a period of time not to exceed one year from the date of the financial statements.

NOTE 2 REPORTING CHANGES

The government made the following reporting changes during 2003-04.

A) CHANGE IN REPORTING MODEL

In accordance with recommendations of the Public Sector Accounting Board, the government changed from a reporting model focusing on financial resources to an economic resources focus.

The principal effect of the change is that non-financial assets, consisting of tangible capital assets and inventories of supplies, are now reported on the Consolidated Statement of Financial Position. This presentation provides information on net assets, a new measure of financial position for government that supplements the net financial assets measure.

As a result of these changes, the Consolidated Statement of Operations reflects revenues less expenses instead of expenditures. The Consolidated Statement of Change in Net Financial Assets provides important accountability information regarding the extent to which expenditures are met by revenues recognized in the period.

NOTE 2 (continued)

Recognition and measurement of non-financial assets are based on their service potential. These assets will not provide resources to discharge the liabilities of the government. For government non-financial assets, the future economic benefit consists of their capacity to provide service to further the government's objectives.

B) CHANGES IN ACCOUNTING POLICY

Motor vehicle accident claims

The Province has changed its policy for recognizing expenses arising under the Motor Vehicle Accident Claims Act such that it now recognizes the cost of unsettled claims based on the probability that they will be settled. Previously, the Province did not recognize the cost of unsettled claims until they were settled. The change has been applied retroactively and, as a result of the change, net assets at April 1, 2002 have been reduced by $82 million.

Other changes

As an integral part of the change in reporting model described in a) above, the Province has changed its policy for reporting of certain prepaid and inventory items which are now included in financial and non-financial assets respectively. Previously, these items were charged to expenses. This change has been applied retroactively and, as a result of the change, net assets at April 1, 2002 have been increased by $13 million.

The government also changed the way it accounts for disposals and write-downs of tangible capital assets. Previously, proceeds of disposal of tangible capital assets were included in revenue, and the net book value of disposals and write-downs of capital assets were not reported in the financial statements but were instead disclosed in the notes.

Under the new policy, the difference between the net book value of tangible capital assets and their disposal proceeds is accounted for as net gain on disposal and included in other revenue and the fair market value of nominal sum disposals is included in expenses by function on the Consolidated Statement of Operations.

This change has been applied retroactively and, as a result of the change, other revenue decreased by $19 million and expenses increased by $28 million for the year ended March 31, 2003.

C) OTHER

The Province has adjusted its accumulated provision for site remediation costs relating to the Swan Hills Waste Treatment Centre by retroactively increasing the provision by $14 million, based on an environmental consultant's report received in October 2002 which indicates that the work will be performed in 2018 at a cost of $38 million.

The following is a summary of the effect of the reporting changes on the 2002-03 consolidated financial statements.

NOTE 2 (continued)

	In millions		
	March 31, 2003		
	As Previously Reported	Reporting Changes	As Restated
Revenues	$ 22,681	$ (19)	$ 22,662
Expenses	20,657	28	20,685
Excess of revenues over expenses for the year	2,024	(47)	1,977
Disposals and write-downs of tangible capital assets	(47)	47	-
Net financial assets at beginning of year	5,043	(107)	4,936
Non-financial assets at beginning of year (a)	10,141	24	10,165
Net assets at beginning of year	15,184	(83)	15,101
Net assets at end of year	$ 17,161	$ (83)	$ 17,078

a) As shown on the consolidated statement of capital assets.

NOTE 3 VALUATION OF FINANCIAL ASSETS AND LIABILITIES

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

Due to their short term nature, the fair values of cash and cash equivalents, accrued interest, receivables, payables and accrued liabilities are estimated to approximate their book values. Fair values of some of the loans and advances are not reported due to there being no organized financial market for all of the instruments and it is not practicable within constraints of timeliness or cost to estimate the fair values with sufficient reliability.

The fair value of unmatured debt and debt of Alberta Capital Finance Authority is an approximation of its fair value to the holder.

The methods used to determine the fair values of temporary investments and portfolio investments are as follows:

Public fixed-income securities and equities are valued at the year-end closing sale price, or the average of the latest bid and ask prices quoted by an independent securities valuation company.

The value of derivative contracts is included in the fair value of portfolio investments. Equity and bond index swaps are valued based on changes in the appropriate market based index net of accrued floating rate interest. Interest rate swaps and cross-currency interest rate swaps are valued based on discounted cash flows using current market yields and exchange rates. Credit default swaps are valued based on discounted cash flows using current market yields and calculated default probabilities. Forward foreign exchange contracts and equity index futures contracts are valued based on quoted market prices.

Mortgages and certain non-public provincial debentures are valued based on the net present value of future cash flows. These cash flows are discounted using appropriate interest rate premiums over similar Government of Canada benchmark bonds trading in the market.

The fair value of private equities is estimated by management using methods such as cost, discounted cash flows, earnings multiples, prevailing market values for instruments with similar characteristics and other pricing models as appropriate.

NOTE 3 (continued)

Real estate investments are reported at their most recent appraised value, net of any liabilities against the real property. Real estate properties are appraised annually by qualified external real estate appraisers using methods such as cost, discounted cash flows, earnings multiples, prevailing market values for properties with similar characteristics and other pricing models as appropriate.

At the year end, the fair value of investments and any other assets and liabilities denominated in a foreign currency are translated to Canadian dollars at the year end exchange rate.

NOTE 4 RISK MANAGEMENT

A) LIABILITY MANAGEMENT

The objective of the Province's liability management program is to achieve the lowest cost on debt within an acceptable degree of variability of debt servicing costs. In order to achieve this objective, the Province manages four risks - interest rate risk, currency exchange risk, credit risk, and refinancing risk. The Province manages these four risks within approved policy guidelines. The management of these risks and the policy guidelines apply to the Province's direct debt, excluding debt raised to fund requirements of provincial corporations and regulated funds. Debt of provincial corporations and regulated funds is managed separately in relation to their assets.

The Province has decided, in light of the current debt reduction environment, that the most effective liability risk management strategy is to allow existing debt instruments to mature in accordance with their terms.

B) ASSET MANAGEMENT

The majority of the Province's portfolio investments are in the Alberta Heritage Savings Trust Fund (Heritage Fund). The investment objective is to invest in a diversified portfolio to maximize long-term returns at an acceptable level of risk. The policy asset mix for fixed income securities is 35%. The policy mix for public equity investment is 45%. The remainder of the portfolio is invested in real estate, private equities and absolute return strategies.

The General Revenue Fund also holds substantial amounts of the Province's portfolio investments. Portfolio investments of the General Revenue Fund are used to repay debt as it matures, to provide funding for the capital plan, and to help protect operating and capital spending from short term declines in revenue and the costs of emergencies, disasters and natural gas rebates. The investment objective is to preserve the value of the investments while maintaining appropriate liquidity and earning a fair or reasonable rate of return.

The investments in the Alberta Heritage Foundation for Medical Research Endowment Fund, the Alberta Heritage Science and Engineering Research Endowment Fund and the Alberta Heritage Scholarship Fund are managed to preserve the capital of the funds over the long term and to provide an annual level of income to intermediary boards responsible for making grants to researchers in the fields of medicine, science and engineering, and to students.

NOTE 5 BUDGET

The budget amounts were derived from Budget 2003 tabled in the Legislature on April 8, 2003.

The following table compares the Province's net financial position with the March 31, 2004 estimate provided in Budget 2003. The table uses the same grouping of financial assets and liabilities as the budget.

NOTE 5 (continued)

	In millions		
	2004		2003
	Estimate	Actual	Actual
Financial assets			
Heritage Fund external investments	$ 11,565	$ 11,267	$ 11,262
Self-supporting lending organizations (a)	5,231	5,597	5,293
Alberta Sustainability Fund (b)	2,217	2,500	-
Endowment funds (c)	1,548	1,622	1,551
Debt retirement account (Note 6)	251	1,241	2,010
Capital account (d)	287	1,180	910
Other financial assets	3,535	5,858	5,498
	24,634	29,265	26,524
Liabilities			
Accumulated debt (Note 6)	5,012	4,971	6,746
Pension obligations	4,970	5,059	4,927
Self-supporting lending organizations (a)	4,050	4,556	4,070
Accounts and interest payable and other liabilities	3,158	4,260	4,147
Less debt held internally by consolidated entities	(130)	(129)	(135)
	17,060	18,717	19,755
Net financial assets for financial statement purposes	7,574	10,548	6,769
Tangible capital assets and inventory of supplies	10,358	10,534	10,309
Net assets for financial statement purposes	17,932	21,082	17,078
Pension obligations	4,970	5,059	4,927
Net assets for fiscal policy purposes	$ 22,902	$ 26,141	$ 22,005

a) Alberta Capital Finance Authority and Agriculture Financial Services Corporation.

b) The Alberta Sustainability Fund was established on April 1, 2003 to help protect operating and capital spending from short term declines in revenue and the costs of emergencies, disasters and natural gas rebates.

c) Alberta Heritage Foundation for Medical Research Endowment Fund, Alberta Heritage Science and Engineering Research Endowment Fund and Alberta Heritage Scholarship Fund.

d) The Capital Account was established in 2002-03 to provide funding for the capital plan. Under the Province's fiscal framework, funds can be deposited into the Capital Account in one year and carried forward to following years to pay for capital projects.

NOTE 6 FISCAL RESPONSIBILITY LEGISLATION

Since 1999, the Fiscal Responsibility Act (the Act) has required that the Province not incur a deficit, as defined under the Act, in any fiscal year and that accumulated debt be eliminated according to a defined schedule. During 2003-04, the Province complied with the Act.

ACCUMULATED DEBT

Under the Act, accumulated debt, as defined, must be no greater than $6,245 million by the end of the 2004-05 fiscal year and must be eliminated by March 31, 2025.

The table below shows the progress made in eliminating accumulated debt during 2003-04.

NOTE 6 (continued)

	In millions	
	2004	2003
Unmatured debt (Schedule 10)	$ 5,228	$ 6,893
Funding obligation for school board debentures (Schedule 13)	526	608
Adjustments to conform to statutory definition		
Borrowings for provincial corporations	(912)	(890)
Other	129	135
Accumulated debt at end of year	$ 4,971	$ 6,746

In addition, Note 5 shows that funds amounting to $1,241 million (2003 $2,010 million), at cost, have been set aside to retire accumulated debt that has not yet matured:

	In millions		
	2004		2003
	Estimate	Actual	Actual
Accumulated debt at end of year	$ 5,012	$ 4,971	$ 6,746
Funds available for debt repayment	251	1,241	2,010
Accumulated debt less funds set aside	$ 4,761	$ 3,730	$ 4,736

NOTE 7 COMMITMENTS

	In millions	
	2004	2003
Obligations under long-term leases, contracts and programs	$ 8,301	$ 4,679
Loans and advances approved	44	37
	$ 8,345	$ 4,716

Estimated payment requirements for each of the next five years and thereafter are as follows:

	In millions
2004-05	$ 3,529
2005-06	2,713
2006-07	643
2007-08	363
2008-09	224
Thereafter	829
	$ 8,301

The government has various commitments relating to the devolution of services or disposition of assets to the private sector. Those commitments include the performance of duties and obligations if the private sector organization fails to meet them.

NOTE 8 CONTINGENCIES

Set out below are details of contingencies resulting from guarantees, indemnities and litigation, other than those reported as liabilities and shown in Schedule 13. Any losses arising from the settlement of contingencies are treated as current year expenses.

A) INDEMNITIES AND GUARANTEES

Guarantees amounting to $190 million (2003 $227 million) are analyzed in Schedule 15.

B) CONTINGENCIES OF COMMERCIAL ENTERPRISES

The Credit Union Deposit Guarantee Corporation has a potential liability under guarantees relating to deposits of credit unions. At December 31, 2003 credit unions in Alberta held deposits totalling $8.2 billion (2002 $7.6 billion) and had assets in excess of deposits.

At March 31, 2004, Alberta Treasury Branches had a potential liability under guarantees and letters of credit amounting to $108 million (2003 $101 million).

N.A. Properties (1994) Ltd. has provided guarantees of principal and interest on mortgages sold to a chartered bank. The principal and interest on these mortgages totalled $2 million at March 31, 2004 (2003 $3 million).

C) LEGAL ACTIONS

At March 31, 2004, the Province was involved in various legal actions, the outcome of which is not determinable. Accruals have been made in specific instances where it is probable that losses will be incurred which can be reasonably estimated. The resulting loss, if any, from claims in excess of the amounts accrued cannot be determined.

The Province has a contingent liability in respect of 39 claims (2003 37) concerning aboriginal rights, Indian title and treaty rights. In most cases, these claims have been filed jointly and severally against the Province of Alberta and the Government of Canada, and in some cases involve third parties. Of these claims, 24 (2003 21) have specified amounts totalling $129.5 billion (2003 $64.4 billion) plus a provision for interest and other costs that is not calculable. The other 15 claims (2003 16) have not specified any amounts.

Further, the Province was named as defendant in various other legal actions in addition to those noted above. The total claimed in specific legal actions amounts to approximately $3.6 billion (2003 $4.2 billion).

NOTE 9 TRUST FUNDS UNDER ADMINISTRATION

Trust funds under administration are regulated and other funds consisting of public money over which the Legislature has no power of appropriation. Because the Province has no equity in the funds and administers them for the purposes of various trusts, they are not included in the consolidated financial statements.

At March 31, 2004, trust funds under administration were as follows:

	In millions	
	2004	2003
Public Sector Pension Plan Funds	$ 18,847	$ 15,121
Teachers' Pension Plan Funds	2,876	2,583
The Workers' Compensation Board Accident Fund	2,329	2,025
Public Trustee	476	466
Regional Health Authorities and various health institutions construction accounts	396	420
Power Pool of Alberta Balancing Pool	116	146
Special Areas Trust Account	72	71
Various Court Offices and Fines Distribution Trust	46	39
Miscellaneous trust funds	139	165
	$ 25,297	$ 21,036

NOTE 10 DEFINED BENEFIT PLANS

A) PENSION PLANS

The government administers three contributory defined benefit pension plans for its current employees, namely, the Public Service Pension Plan, Management Employees Pension Plan and Supplementary Retirement Plan for Public Service Managers. Expenses for these plans during 2003-04 amounting to $99 million (2003 $80 million) have been recognized in these financial statements.

Benefits paid from these plans are based on length of service and pensionable earnings. The average age of the approximately 42,800 active employees is 44. In addition, there are approximately 10,100 former employees who are entitled to refunds of contributions with interest or pension benefits when all of the eligibility requirements are met. At present, these plans provide benefits for approximately 18,900 retirees. Benefit payments were $227 million in 2003-04 (2003 $213 million). Total contributions were $241 million in 2003-04 (2003 $188 million), of which employee contributions amounted to $115 million (2003 $92 million). The government guarantees payment of all benefits under the Management Employees Pension Plan arising from service before 1994.

A separate pension plan fund administered by the government is maintained for each pension plan. Pension plan fund assets are invested in both marketable investments of organizations external to the government and in Province of Alberta bonds and promissory notes.

Actuarial valuations are performed at least triennially using the projected benefit method prorated on services. Information about the economic assumptions used in the most recent actuarial valuations is provided below for each plan. Demographic assumptions used in the valuations reflect the experience of the plans.

NOTE 10 (continued)

Plan	Latest Valuation	Real Rate of Return %	Inflation Rate %	Investment Rate of Return %
Public Service Pension Plan	December 31, 2002	3.75	3.25	7.0
Management Employees Pension Plan	December 31, 2002	4.0	2.75	6.75
Supplementary Retirement Plan for Public Service Managers	December 31, 2002	3.0	3.0	6.0

At December 31, 2003, the Public Service Pension Plan reported an actuarial deficiency of $596 million (2002 $176 million), and the Management Employees Pension Plan and Supplementary Retirement Plan for Public Service Managers taken together reported a deficiency of $281 million (2002 $296 million). As a result of deferring and amortizing adjustments arising from experience gains and losses and changes in actuarial assumptions as described in Note 1, the government had no outstanding costs or obligations with respect to these plans at March 31, 2004 (2003 $Nil).

B) LONG TERM DISABILITY INCOME CONTINUANCE PLANS

The government also administers two long term disability income continuance plans. At March 31, 2004, these plans taken together reported an actuarial deficiency of $8 million (2003 $18 million). At March 31, 2004, the government's share of the estimated accrued benefit liability for these plans amounting to $7 million (2003 $4 million) has been recognized in these financial statements.

NOTE 11 SUBSEQUENT EVENT

The Canadian Agricultural Income Stabilization Program is administered in accordance with the Federal/Provincial Agricultural Policy Framework Implementation Agreement. Amendments to the Agreement are implemented from time to time in support of program evolution and delivery. A third amendment was implemented on May 21, 2004 to enhance the program for the 2003 taxation year to provide coverage for negative margins, increase payment caps for claims and modify the deposit requirements. As of March 31, 2004, Alberta had committed to the anticipated amendment, however the financial impact of the amendment will be reflected in the next fiscal year, the period in which the amendment to the agreement comes into force. The estimated cost of this amendment is $120 million, to be shared as to 60% by the Government of Canada and 40% by the Province of Alberta. The $120 million cost and the corresponding $72 million contribution from the Government of Canada are subject to measurement uncertainty (see Note 1).

NOTE 12 COMPARATIVE FIGURES

Certain 2003 figures have been reclassified to conform to 2004 presentation, the most significant of which are reclassifications of $547 million from environment expense to protection of persons and property expense ($303 million), agriculture, resource management and economic development expense ($203 million) and recreation and culture expense ($41 million), $64 million from protection of persons and property expense to social services expense, and $51 million from agriculture, resource management and economic development expense to health expense.

REVENUES **Schedule 1**

In millions

	2004		2003
	Budget (Note 5)	Actual	Actual
Income taxes			
Personal income tax	$ 5,035	$ 4,613	$ 4,834
Corporate income tax	2,016	1,696	2,019
	7,051	6,309	6,853
Other taxes			
School property tax	1,165	1,178	1,113
Tobacco tax	624	671	618
Fuel tax	602	620	597
Freehold mineral rights tax	214	288	202
Insurance taxes	148	206	162
Hotel room tax	58	53	54
	2,811	3,016	2,746
Non-renewable resource revenue			
Natural gas and by-products royalty	3,480	5,450	5,125
Crude oil royalty	502	981	1,177
Bonuses and sales of Crown leases	679	967	565
Synthetic crude oil and bitumen royalty	103	197	183
Rentals and fees	144	154	153
Coal royalty	11	9	10
Royalty tax credit	(143)	(82)	(83)
	4,776	7,676	7,130
Transfers from Government of Canada			
Canada health and social transfer	1,613	1,767	1,332
Health transfers	284	276	19
Agriculture support programs	169	561	416
Other	320	322	307
	2,386	2,926	2,074
Net income from commercial operations			
Lottery operations	1,093	1,125	1,089
Liquor operations	546	557	535
Other	156	200	225
	1,795	1,882	1,849
Net investment income (loss)	1,019	1,838	(462)
Fees, permits and licences			
Health care insurance premiums	913	940	914
Motor vehicle licences	262	266	248
Crop and hail insurance premiums	164	146	102
Other	386	462	380
	1,725	1,814	1,644
Other	365	426	828
	$ 21,928	$ 25,887	$ 22,662

EXPENSES BY MINISTRY

Schedule 2

In millions

	2004		2003
	Budget (Note 5)	Actual	Actual
Program expenses			
Offices of the Legislative Assembly	$ 61	$ 56	$ 54
Ministries			
Health and Wellness	7,350	7,366	6,836
Learning	4,912	4,981	4,753
Agriculture, Food and Rural Development	814	1,500	1,783
Infrastructure	1,203	1,429	815
Human Resources and Employment	1,071	1,131	1,067
Transportation	889	842	673
Children's Services	708	699	657
Community Development	647	634	573
Finance	435	437	444
Seniors	354	402	341
Sustainable Resource Development	202	324	415
Solicitor General	278	283	266
Justice	263	257	244
Energy	185	199	163
Innovation and Science	200	186	184
Revenue	166	146	179
Gaming	150	144	123
Municipal Affairs	132	139	161
Environment	121	122	107
Government Services	83	86	73
Economic Development	55	58	55
Aboriginal Affairs and Northern Development	32	35	64
Executive Council	18	18	17
International and Intergovernmental Relations	6	6	6
	20,335	21,480	20,053
Debt servicing costs (a)	465	271	476
Pension provisions (b)	121	132	156
	$ 20,921	$ 21,883	$ 20,685

a) Debt servicing costs are related to Finance and Seniors.

b) Pension provisions are related to Learning and Finance.

EXPENSES BY OBJECT

Schedule 3

In millions

	2004	2003
Grants	$ 15,738	$ 13,926
Services	2,761	3,208
Salaries, wages, employment contracts and benefits	1,681	1,557
Interest and amortization of exchange gains and losses	534	743
Amortization of tangible capital assets	389	346
Valuation adjustments (Schedule 4)	213	294
Materials and supplies	209	210
Pension liability funding	189	186
Travel and communication	136	131
Corporate tax interest refunds	16	64
Other	17	20
	$ 21,883	$ 20,685

VALUATION ADJUSTMENTS

Schedule 4

In millions

	2004		2003
	Budget (Note 5)	Actual	Actual
Pension provisions	$ 121	$ 132	$ 156
Provision for losses, doubtful accounts, loans, guarantees and indemnities	82	71	132
Provision for employee benefits other than pensions	8	10	6
	$ 211	$ 213	$ 294

CASH AND TEMPORARY INVESTMENTS

Schedule 5

In millions

	2004		2003	
	Book Value	Fair Value	Book Value	Fair Value
Fixed-income securities (a)				
Government of Canada, direct and guaranteed	$ 478	$ 480	$ 110	$ 110
Provincial, direct and guaranteed	58	59	43	44
Municipal, direct and guaranteed	2	2	2	2
Corporate	693	695	523	524
Pooled investment funds	21	22	15	15
	1,252	1,258	693	695
Cash and cash equivalents	1,721	1,721	1,018	1,018
	$ 2,973	$ 2,979	$ 1,711	$ 1,713

a) Fixed-income securities had an average effective market yield of 2.2% per annum (2003 3.0% per annum). 92% (2003 85%) of the securities had terms to maturity of less than one year.

PORTFOLIO INVESTMENTS

Schedule 6

In millions

	2004		2003	
	Book Value	Fair Value	Book Value	Fair Value
Fixed-income securities (a)(b)(c)				
Government of Canada, direct and guaranteed	$ 987	$ 993	$ 392	$ 393
Provincial, direct and guaranteed	1,000	1,007	963	967
Municipal	14	14	82	82
Corporate	2,061	2,072	1,368	1,367
Pooled investment funds	4,153	4,273	3,859	3,842
	8,215	8,359	6,664	6,651
Equities (c)				
Canadian	2,939	3,343	2,810	2,818
Foreign	4,145	4,584	4,498	3,960
Real estate	975	1,063	899	973
Absolute return strategies	578	573	321	320
	8,637	9,563	8,528	8,071
	$16,852	$17,922	$15,192	$14,722

a) The majority of the Province's fixed-income securities are held by the Alberta Heritage Savings Trust Fund (Heritage Fund). As at March 31, 2004, the Heritage Fund held $3.70 billion (2003 $3.47 billion) of public fixed-income securities at cost (Fair value $3.81 billion (2003 $3.45 billion)). The securities held have an average effective market yield of 4.4% (2003 5.5%) per annum and the following term structure based on principal amount.

	2004	2003
	%	%
Under 1 year	3	2
1 to 5 years	38	37
6 to 10 years	29	29
11 to 20 years	11	13
Over 20 years	19	19
	100	100

b) Fixed-income securities are also held by the General Revenue Fund to repay debt as it matures, to provide funding for the capital plan, and to help protect operating and capital spending from short-term declines in revenue and the costs of emergencies, disasters and natural gas rebates. As at March 31, 2004, the General Revenue Fund held $4.04 billion (2003 $2.78 billion) of public fixed-income securities at cost (Fair value $4.06 billion (2003 $2.78 billion)). The securities held have an average effective market yield of 2.3% (2003 3.4%) per annum. 77.3% (2003 all) of the securities held had terms to maturity of less than two years.

c) The Heritage Fund and the endowment funds identified in Note 4 use derivative contracts to enhance return, hedge risks and manage asset mix. As at March 31, 2004, the notional amount of all derivative contracts issued by these funds amounted to $3.3 billion (2003 $2.2 billion). 68% (2003 72%) of these contracts mature within one year. As at March 31, 2004, all derivative contracts taken together had a net negative fair value of $89 million (2003 $66 million).

EQUITY IN COMMERCIAL ENTERPRISES

Schedule 7

	In millions	
	2004	2003
Accumulated surpluses		
Accumulated surpluses at beginning of year	$ 1,062	$ 839
Total revenue	3,634	3,454
Total expense	1,752	1,605
Net revenue	1,882	1,849
Net transfers to departments and other adjustments	(1,699)	(1,626)
Accumulated surpluses at end of year	$ 1,245	$ 1,062
Represented by		
Assets		
Loans	$ 12,131	$ 11,691
Investments	944	661
Other	1,621	1,256
	14,696	13,608
Liabilities		
Accounts payable	371	404
Deposits	13,035	12,097
Unmatured debt	45	45
	13,451	12,546
	$ 1,245	$ 1,062
Equity in commercial enterprises at end of year		
As reported by the entities		
Alberta Treasury Branches	$ 962	$ 791
Alberta Gaming and Liquor Commission	189	184
Credit Union Deposit Guarantee Corporation	93	85
N.A. Properties (1994) Ltd.	1	2
	1,245	1,062
Elimination of inter fund/agency balances	74	86
	$ 1,319	$ 1,148

LOANS AND ADVANCES

Schedule 8

	In millions	
	2004	2003
Loans and advances made under the authority of		
Alberta Capital Finance Authority Act (a)	$ 3,961	$ 3,830
Agriculture Financial Services Act (b)	1,005	981
Student Loan Act	196	149
Alberta Heritage Savings Trust Fund Act	182	174
Farm Credit Stability Act	26	42
Alberta Housing Act	22	21
Financial Administration Act	11	13
	5,403	5,210
Less allowance for doubtful accounts	218	188
	$ 5,185	$ 5,022

a) Municipal loans on average yield 7.8% (2003 8.3%) per annum and have the following term structure as at March 31, 2004.

	2004	2003
	%	%
Under 1 year	1	2
1 to 5 years	21	23
6 to 10 years	31	32
Over 10 years	47	43
	100	100

The fair value of the loans as at March 31, 2004 was $4,488 million (2003 $4,419 million).

b) Agricultural loan portfolios on average yield 6.9% to 7.2% (2003 7.2% to 7.4%) per annum and have the following term structure as at March 31, 2004.

	2004	2003
	%	%
Under 1 year	13	11
1 to 5 years	35	36
6 to 10 years	27	27
Over 10 years	25	26
	100	100

The fair value of the loans as at March 31, 2004 was $947 million (2003 $927 million).

INVENTORIES FOR RESALE

Schedule 9

	In millions	
	2004	2003
Royalty oil	$ 17	$ 32
Other inventories	12	10
	$ 29	$ 42

In millions

	2004				2003	
	Effective Rate (a)(b)(c) %	Duration (d) years	Book Value (a)	Fair Value (a)	Book Value (a)	Fair Value (a)
Direct debt						
Canadian dollar debt and fully hedged foreign currency debt						
Floating rate and short-term fixed rate (e)	4.65	0.36	$ 1,486	$ 1,512	$ 1,456	$ 1,493
Fixed rate long-term (f)	7.11	4.64	2,933	3,429	3,795	4,245
	6.28	3.33	4,419	4,941	5,251	5,738
Unhedged U.S. dollar debt (g)						
Floating rate and short-term fixed rate (e)	3.77	0.21	680	694	1,056	1,050
Fixed rate long-term	5.68	1.58	48	53	504	554
	3.90	0.31	728	747	1,560	1,604
	5.95	2.93	5,147	5,688	6,811	7,342
Alberta Social Housing Corporation						
Canadian dollar fixed rate debt			81	119	82	115
			$ 5,228	$ 5,807	$ 6,893	$ 7,457

a) Book value represents the amount the Province owes. Fair value is an approximation of market value to the holder. The book value, fair value and weighted average effective rate include the effect of interest rate and currency rate swaps. For non-marketable issues, the effective rate and fair value are determined by reference to yield curves for comparable quoted issues.

b) Weighted average effective rates on unhedged U.S. dollar debt are based upon debt stated in U.S. dollars.

c) Weighted average effective rate on total direct debt is on debt inclusive of deferred exchange gains and losses on unhedged U.S. dollar debt (see note (g)).

d) Duration is the weighted average term to maturity of a security's cash flows (i.e. interest and principal) and is a measure of price volatility. The greater the duration of a bond, the greater its percentage price volatility.

e) Floating rate debt includes short-term debt, term debt with less than one year remaining to maturity, and term debt with interest rate reset within a year.

f) Canadian dollar fixed rate debt includes $679 million (2003 $679 million) held by the Canada Pension Plan Investment Fund.

g) Unhedged U.S. dollar debt is translated into Canadian dollars at the March 31 noon exchange rate of $1.31 per U.S. dollar (2003 $1.47 per U.S. dollar). Deferred exchange gains on unhedged U.S. dollar debt amounted to $5 million at March 31, 2004 (2003 $23 million). Amortization of deferred exchange gains amounted to $146 million for the year ended March 31, 2004 (2003 $50 million). In Budget 2003, a change in the exchange rate of one U.S. cent to the Canadian dollar was estimated to have a $25 million effect on debt servicing costs.

Schedule 10 (continued)

Debt principal repayment requirements at par in each of the next five years, including short-term debt maturing in 2004-05 and thereafter, are as follows:

In millions

	Total	Includes Unhedged
2004-05	$ 1,596	US$ 439
2005-06	1,306	108
2006-07	151	-
2007-08	275	-
2008-09	632	-
Thereafter	1,277	-
	$ 5,237	US$ 547

Derivative financial instruments

The Province uses interest rate swaps and currency rate swaps and contracts to manage the interest rate risk and currency exposure associated with unmatured debt. In addition, forward interest rate agreements may be used to manage interest rate exposure in the short term. Associated with these instruments are credit risks that could expose the Province to potential losses. Credit risk relates to the possibility that a loss may occur from the failure of another party to perform according to the terms of a contract. Credit exposure to counterparties is insignificant in relation to the notional principal amount, as shown in the table below. The Province minimizes its credit risk associated with these contracts by dealing with only credit worthy counterparties.

Interest rate swaps involve the exchange of a series of interest payments, either at a fixed or floating rate, based upon a contractual or notional principal amount. An interest rate swap agreement based upon a notional amount involves no exchange of underlying principal. The notional amount serves as the basis for determining the exchange of interest payments. At March 31, 2004, interest rate swap agreements were being used primarily to convert fixed interest rate payments to floating rates.

Cross currency interest rate swaps involve both the swapping of interest rates and currencies.

The following table summarizes the Province's derivative portfolio and related credit exposure. Notional amount represents the amount to which a rate or price is applied in order to calculate the exchange of cash flows. Replacement cost represents what it would cost to replace at current market rates all contracts which have a positive market value.

In millions

	2004		2003	
	Notional Amount	Replacement Cost	Notional Amount	Replacement Cost
Interest rate swaps	$ 1,131	$ 14	$ 1,908	$ 24
Cross currency interest rate swaps	483	11	536	-
	$ 1,614	$ 25	$ 2,444	$ 24

DEBT OF ALBERTA CAPITAL FINANCE AUTHORITY

Schedule 11

	In millions	
	2004	2003
Canadian dollar fixed rate debt (a)	$ 4,070	$ 3,671

a) Canadian dollar fixed rate debt includes $2,465 million (2003 $2,706 million) held by the Canada Pension Plan Investment Fund and has the following characteristics as at March 31, 2004 (see Schedule 10 note (a)).

	2004	2003
Fair value (in millions)	$ 4,544	$ 4,245
Effective rate per annum	8.1%	8.9%

Debt principal repayment requirements in each of the next five years, including short-term debt maturing in 2004-05 and thereafter, are as follows:

	In millions
2004-05	$ 453
2005-06	424
2006-07	396
2007-08	335
2008-09	259
Thereafter	2,203
	$ 4,070

PENSION OBLIGATIONS

Schedule 12

While the Province is committed to provide future funding to pension plans for its active employees, as disclosed in Note 10(a), the Province had no outstanding costs or obligations in respect of these pension plans at March 31, 2004.

However, in respect of other public sector pension plans, the Province has pension obligations as described below.

	In millions	
	2004	2003
Obligations to pension plans for employees of organizations outside the government reporting entity		
Teachers' Pension Plan (a)	$ 4,094	$ 3,965
Universities Academic Pension Plan (b)	171	157
Special Forces Pension Plan (b)	68	60
	4,333	4,182
Obligations to pension plans for current and former employees and Members of the Legislative Assembly		
Public Service Management (Closed Membership) Pension Plan (c)	676	696
Members of the Legislative Assembly Pension Plan (d)	50	49
	726	745
	$ 5,059	$ 4,927

a) The Teachers' Pension Plans Act requires all teachers under contract with public and separate school jurisdictions in Alberta to contribute to the Teachers' Pension Plan. Under the Act, the unfunded liability for service credited prior to September 1, 1992 is being financed by additional contributions in the ratio of 67.35% by the Province and 32.65% by the teachers over the period ending August 31, 2060. In addition, for service after August 1992, the Province funds 50% of any current service costs and related actuarial adjustments, including certain cost of living benefits.

The Act provides that payment of all benefits prior to September 1, 1992 is guaranteed by the Province.

b) Under the Public Sector Pension Plans Act, the Province has obligations for payment of additional contributions under defined benefit pension plans for certain employees of post-secondary educational institutions and municipalities. The plans are the Universities Academic and Special Forces pension plans.

For Universities Academic, the unfunded liability for service credited prior to January 1, 1992 is being financed by additional contributions of 1.25% of pensionable salaries by the Province, and contributions by employers and employees to fund the remaining amount, as determined by the plan valuation, over the period ending on or before December 31, 2043. Current service costs are funded by employers and employees.

For Special Forces, the unfunded liability for service credited prior to January 1, 1992 is being financed by additional contributions in the ratio of 45.45% by the Province and 27.27% each by employers and employees, over the period ending on or before December 31, 2036. Current service costs are funded by employers and employees. The Act provides that payment of all benefits arising from pensionable service prior to 1994, excluding post-1991 cost of living adjustment benefits, is guaranteed by the Province.

Schedule 12 (continued)

c) The Public Service Management (Closed Membership) pension plan provides benefits to former members of the Public Service Management pension plan who were retired, were entitled to receive a deferred pension or had attained 35 years of service before August 1, 1992.

d) The Province has a liability for payment of pension benefits under a defined benefit pension plan for certain current and former Members of the Legislative Assembly. Active participation in this plan was terminated as of June 1993, and no benefits can be earned for service after that date.

Pension obligations are based upon actuarial valuations performed at least triennially using the projected benefit method prorated on services. The assumptions used in the valuations were adopted after consultation between the pension plan boards, the government and the actuaries, depending on the plan, and represent best estimates of future events. Each plan's future experience will inevitably vary, perhaps significantly, from the assumptions. Any differences between the actuarial assumptions and future experience will emerge as gains or losses in future valuations. Gains and losses are amortized over the expected average remaining service lives of the related employee groups.

Information about the economic assumptions used in the most recent actuarial valuations is provided below for each plan for which there is an obligation. Demographic assumptions used in the valuations reflect the experience of the plans.

Plan	Latest Valuation	Real Rate of Return %	Inflation Rate %	Investment Rate of Return %
Teachers' Pension Plan	August 31, 2002	4.5	3.0	7.5
Universities Academic Pension Plan	December 31, 2002	4.0	3.0	7.0
Special Forces Pension Plan	December 31, 2001	3.75	3.25	7.0
Public Service Management (Closed Membership) Pension Plan	December 31, 2002	3.0	3.0	6.0
Members of the Legislative Assembly Pension Plan	March 31, 2003	3.0	3.0	6.0

These actuarial valuations indicated a deficiency of net assets over the actuarial present value of accrued benefits. Including net deferred gains of $44 million (2003 $77 million), these unfunded liabilities were extrapolated to March 31, 2004.

A separate pension plan fund is maintained for each pension plan except for the Members of the Legislative Assembly plan. Pension plan fund assets are invested in both marketable investments of organizations external to the government and in Province of Alberta bonds and promissory notes.

OTHER ACCRUED LIABILITIES

Schedule 13

	In millions	
	2004	2003
Future funding to school boards to enable them to repay debentures issued to Alberta Capital Finance Authority	$ 526	$ 608
Vacation entitlements	163	153
Guarantees, indemnities and remissions		
Guarantees (Schedule 15)	13	14
Remissions for guaranteed student loans (Schedule 15)	3	6
Remissions for non-guaranteed student loans	15	68
	31	88
Other	2	3
	$ 722	$ 852

TANGIBLE CAPITAL ASSETS

Schedule 14

In millions

	Estimated Useful Life	2004 Cost	2004 Accumulated Amortization	2004 Net Book Value	2003 Net Book Value
General capital assets					
Land (a)	Indefinite	$ 1,229	$ -	$ 1,229	$ 1,202
Buildings	40 years	2,891	1,382	1,509	1,541
Computer hardware and software	5-10 years	558	303	255	229
Equipment (b)	3-10 years	370	134	236	181
Other (c)	20-50 years	206	133	73	64
		5,254	1,952	3,302	3,217
Infrastructure assets					
Land improvements (d)	10-40 years	188	108	80	81
Provincial highways, roads and airstrips (e)	50 years	7,840	2,215	5,625	5,502
Bridges (e)	50 years	813	213	600	594
Dams and water management structures (f)	25-80 years	1,129	224	905	891
		9,970	2,760	7,210	7,068
		$ 15,224	$ 4,712	$ 10,512	$ 10,285

a) Land includes land acquired for parks and recreation, building sites, infrastructure and other program use. It does not include land held for resale or Crown lands acquired by right.

b) Equipment includes SuperNet, vehicles, heavy equipment, fire protection equipment, office equipment and furniture, and other equipment.

c) Other capital assets include leasehold improvements (amortized over the life of the lease), rail cars and trailers.

d) Land improvements include parks development and grazing reserves.

e) Provincial highways and roads consist of original pavement, roadbed, drainage works and traffic control devices, and include secondary highways and bridges and some key arterial roadways within cities.

f) Dams and water management structures include dams, reservoirs, weirs, canals, dikes, ditches, channels, diversions, cut-offs, pump houses and erosion protection structures.

In millions

	2004	2003	Expiry Date
Feeder Associations Guarantee Act	$ 52	$ 44	Ongoing
Alberta Housing Act	42	50	2018
Student Loan Act	41	58	Ongoing
Agriculture Financial Services Act	39	46	Ongoing
Farm Credit Stability Act (a)	27	43	2011
Securities Act	2	2	Ongoing
Centre for Engineering Research Inc.	1	2	2005
University of Calgary	1	1	2016
Rural utilities loans	1	1	2015
	206	247	
Less estimated liability (Schedule 13)			
Guarantees	13	14	
Remissions for guaranteed student loans	3	6	
	16	20	
	$ 190	$ 227	

Authorized loan guarantee limits are shown below where applicable. Where authorized loan guarantee limits are not noted, the authorized limits decline as guaranteed or indemnified loans are repaid.

No new program guarantees are being issued under the Farm Credit Stability Act and the Rural Utilities Act.

Guarantee programs under the following Acts are ongoing:

- Student Loan Act (authorized guarantee limit set by Order in Council is $400 million),
- Feeder Associations Guarantee Act (authorized guarantee limit set by Order in Council is $55 million),
- Agriculture Financial Services Act, and
- Securities Act.

The lender takes appropriate security prior to issuing to the borrower a loan which is guaranteed by the Province. The security taken depends on the nature of the loan. Interest rates are negotiated with the lender by the borrower and typically range from prime to prime plus two per cent.

a) The expiry date shown is the latest expiry date for guaranteed loans under the program.

The financial statements of the following organizations are consolidated in these financial statements:

Offices of the Legislative Assembly
Support to the Legislative Assembly
Office of the Auditor General
Office of the Ombudsman
Office of the Chief Electoral Officer
Office of the Ethics Commissioner
Office of the Information and Privacy Commissioner

Departments
Aboriginal Affairs and Northern Development
Agriculture, Food and Rural Development
Children's Services
Community Development
Economic Development
Energy
Environment
Executive Council
Finance
Gaming
Government Services
Health and Wellness
Human Resources and Employment
Infrastructure
Innovation and Science
International and Intergovernmental Relations
Justice
Learning
Municipal Affairs
Revenue
Seniors
Solicitor General
Sustainable Resource Development
Transportation

Regulated Funds
Alberta Heritage Foundation for Medical Research Endowment Fund
Alberta Heritage Savings Trust Fund
Alberta Heritage Scholarship Fund
Alberta Heritage Science and Engineering Research Endowment Fund
Alberta Risk Management Fund
Alberta School Foundation Fund
Crop Reinsurance Fund of Alberta
Environmental Protection and Enhancement Fund

Schedule 16 (continued)

Regulated Funds (continued)
Historic Resources Fund
Lottery Fund
Provincial Judges and Masters in Chambers Reserve Fund
Supplementary Retirement Plan Reserve Fund
Victims of Crime Fund

Provincial Agencies
Agriculture Financial Services Corporation
Alberta Alcohol and Drug Abuse Commission
Alberta Capital Finance Authority (a)
Alberta Dairy Control Board (b)
Alberta Energy and Utilities Board
Alberta Foundation for the Arts
The Alberta Historical Resources Foundation
Alberta Informatics Circle of Research Excellence Inc.
Alberta Municipal Financing Corporation (a)
Alberta Pensions Administration Corporation
Alberta Petroleum Marketing Commission
Alberta Research Council Inc.
Alberta Science and Research Authority
Alberta Securities Commission
Alberta Social Housing Corporation
Alberta Sport, Recreation, Parks and Wildlife Foundation
Awasak Child and Family Services Authority (b)
Calgary and Area Child and Family Services Authority
Calgary Rocky View Child and Family Services Authority (b)
Central Child and Family Services Authority
Child and Family Services Authority Region 13 (b)
Diamond Willow Child and Family Services Authority (b)
East Central Alberta Child and Family Services Authority
Edmonton and Area Child and Family Services Authority
Edmonton Community Board for Persons with Developmental Disabilities (b)
The Government House Foundation
Hearthstone Child and Family Services Authority (b)
Human Rights, Citizenship and Multiculturalism Education Fund
Keystone Child and Family Services Authority (b)
Ma'Mowe Capital Region Child and Family Services Authority (b)
Metis Settlements Child and Family Services Authority
Natural Resources Conservation Board
Neegan Awas'sak Child and Family Services Authority (b)
North Central Alberta Child and Family Services Authority
Northeast Alberta Child and Family Services Authority

Schedule 16 (continued)

Provincial Agencies (continued)
Northwest Alberta Child and Family Services Authority
Persons with Developmental Disabilities Calgary Region Community Board
Persons with Developmental Disabilities Central Region Community Board
Persons with Developmental Disabilities Edmonton Region Community Board
Persons with Developmental Disabilities Michener Centre Facility Board (b)
Persons with Developmental Disabilities Northeast Region Community Board
Persons with Developmental Disabilities Northwest Region Community Board
Persons with Developmental Disabilities Provincial Board
Persons with Developmental Disabilities South Region Community Board
Region 14 Child and Family Services Authority (b)
Ribstone Child and Family Services Authority (b)
Sakaigun Asky Child and Family Services Authority (b)
Sakaw-Askiy Child and Family Services Authority (b)
Silver Birch Child and Family Services Authority (b)
Southeast Alberta Child and Family Services Authority
Southwest Alberta Child and Family Services Authority
West Yellowhead Child and Family Services Authority (b)
The Wild Rose Foundation
Windsong Child and Family Services Authority (b)

Non-commercial Crown-controlled Corporation
Alberta Insurance Council

The following organizations are accounted for on the modified equity basis in these financial statements:

Commercial Enterprises
Alberta Gaming and Liquor Commission
The Alberta Government Telephones Commission
Alberta Treasury Branches
Credit Union Deposit Guarantee Corporation
N.A. Properties (1994) Ltd.

Commercial Crown-controlled Corporation
Gainers Inc.

a) Alberta Municipal Financing Corporation was renamed Alberta Capital Finance Authority during 2003-04.
b) Dissolved or merged with another entity in 2003-04.

Measuring Up

Government of Alberta
Annual Report 2003-04

Measuring Up

ABOUT MEASURING UP . . .

PURPOSE OF MEASURING UP

This is the tenth annual *Measuring Up* report to Albertans, as required under section 10 of the *Government Accountability Act*, and forms part of the government's commitment to be open and accountable.

REPORTING ON RESULTS

2003-04 Measuring Up reports the expenses directed towards goal achievement and on progress made towards achieving the 12 goals and 75 performance measures established in the *2003-06 Government of Alberta Business Plan*, published as part of *Budget 2003 - Making Alberta Even Better*.

PRIORITY POLICY CROSS-MINISTRY INITIATIVES

In addition to the goals, *Measuring Up* reports on four priority policy initiatives that cut across the goals. Progress in relation to the objectives and targets established for each of the four initiatives is reported following the presentation of the government's goals.

STRUCTURE OF PERFORMANCE REPORTING

To focus on emerging priority issues, the set of measures is evolving with some being added and others dropped or revised. In addition to *Measuring Up*, each fall, ministries publish their annual reports, which report on a set of "key" performance measures related to their business plan goals, which in turn are linked to the government business plan goals.

MEASURES METHODOLOGY AND DATA

The Measures Methodology and Data section included at the back of the document provides the data, the methods and sources used to collect the data for each of the measures, and any changes in methodology from previous years. To ensure that the results reported are relevant and reliable, *Measuring Up* uses only the most current reliable data.

INTERRELATIONSHIPS BETWEEN MEASURES

Each measure is important but should not be considered in isolation since there are linkages among some measures. One example is the economic growth measure. A strong, growing provincial economy will tend to influence some performance measures, such as employment growth, positively and others, such as workplace climate, negatively.

FACTORS AFFECTING RESULTS

The extent to which a performance measure meets its target provides a comment on the strategies being used by the government. At the same time, the ability to meet targets for measures often depends on the actions of all Albertans and on external events. For example, the GDP measure depends on the policies of the government to foster economic growth. However, economic growth also depends on the actions of Alberta households and businesses and on the strength of the world economy, as Alberta is an open, trade-based economy.

LOOKING AHEAD

The *2004-07 Government Business Plan*, published as part of Alberta's *2004 Budget - On Route, On Course: Heading Toward Alberta's Second Century*, shows the government's current strategies for achieving its goals. These strategies reflect the government's response to changes in circumstances, external events and issues of importance to Albertans.

AN INVITATION TO RATE OUR PERFORMANCE

After reading *Measuring Up*, please tell us what you think of it. **Please complete our** Readership Survey. You can also contact us by e-mail at measuringup@gov.ab.ca.

2003-04 PERFORMANCE SUMMARY

The government's activities are focused on achieving the 12 goals in the *2003-06 Government Business Plan*. The goals reflect the government's priorities for protecting the quality of life in Alberta, while maintaining a commitment to fiscal responsibility. The following is a summary of those results. The dollar amounts next to the goal statements indicate the 2003-04 government expense directed towards achieving that goal.

Albertans will be healthy - $7,634 million (page 57). Albertans continued to enjoy good health with life expectancy of Albertans ranking among the top ten countries in the world. Most Albertans rated their ease of access to physician and hospital services as "very easy" or "easy", consistent with previous years, and rated the overall quality of care they received as "good" or "excellent".

Albertans will be well prepared for lifelong learning and work - $5,850 million (page 60). In 2003, 89% of Albertans reported completing high school, and 57% reported completing post-secondary education, while results on Provincial Achievement Tests in Grade 9 mathematics and language arts have been relatively stable in recent years. Alberta's learning system performed well in supplying skilled graduates to meet the needs of Alberta business and industry, as indicated by high employer satisfaction levels with recent high school and postsecondary graduates, and Albertans continued to be satisfied with their access to lifelong learning. School facilities remained in acceptable physical condition, while post-secondary institutions showed a slight decline from the previous years' ratings.

Alberta's children will be supported in reaching their potential - $699 million (page 64). In 2000, fewer children were economically disadvantaged compared to children in other provinces. In 2003-04, 44.5% of all licensed day care centres achieved a rating of good to excellent with respect to providing a developmentally appropriate environment and 31% achieved a basic to good rating.

Albertans will be self-reliant and those unable to provide for their basic needs will receive help - $1,724 million (page 66). In 2000, fewer Albertans were economically disadvantaged compared to people in other provinces. Overall satisfaction of families/guardians with services provided to persons with developmental disabilities has been very high.

Aboriginal communities in Alberta will be effective and self-reliant - $35 million (page 69). In 2003-04, the Alberta government directed $35 million to address Aboriginal issues not addressed under other government goals. Disparities continue to exist between the social and economic circumstances of Aboriginal people compared to other Albertans; however, data from the 2001 Canada Census indicate that these disparities are decreasing.

Alberta will have an effective, responsive and well-managed local government sector - $411 million (page 71). The vast majority of Alberta municipalities met established financial accountability standards and most Albertans experienced continued satisfaction with their municipal governments.

Alberta will have a prosperous economy - $2,056 million (page 73). The level of expenditure was $648 million higher than the 2003-04 budget, primarily reflecting increased assistance to the agriculture sector. Despite significant challenges from the economic impact of Bovine Spongiform Encephalopathy (BSE) and a strong Canadian dollar, the Alberta economy showed considerable strength and resilience in 2003. It grew at an estimated 3.1%, almost double the Canadian growth rate. Alberta's economic performance was fuelled by a strong increase in conventional energy sector investment and a robust household sector. Also, Alberta enjoyed the second lowest unemployment rate of any province in 2003, and led the country in job growth. Furthermore, Alberta continued to have the highest level of personal disposable income per capita among the provinces.

Alberta will have effective and efficient transportation and utilities infrastructure - $1,020 million (page 77). In 2003-04, Alberta's transportation system was able to accommodate increased economic activity and traffic flow volumes. Furthermore, the condition of Alberta's water management infrastructure was maintained to help ensure the balanced use of water and reduce the effects of floods and droughts. Progress is also being made on the construction of fibre-optic and wireless connectivity to link government offices, schools, health care facilities and libraries in 422 communities across Alberta.

Alberta will have a financially stable, open and accountable government and a strong intergovernmental position in Canada - $1,043 million (page 80). The province earned a triple A credit rating in 2003-04 for domestic debt from all three major credit rating agencies, the highest possible rating and highest among the provinces. Alberta had the lowest total provincial and municipal tax load as a percentage of the provincial average and the province continued to be far ahead of schedule for accumulated debt repayment. Alberta's public approval rating in federal/provincial relations was equal to the average approval rating of Manitoba, Saskatchewan, Ontario and British Columbia.

Alberta will be a fair and safe place to work, live and raise families - $842 million (page 83). In 2003-04, Alberta workers experienced the lowest recorded work-related injury and disease rate since 1991, and nearly all expired collective agreements were settled without a work stoppage. Although property crime rate increased in 2002, Alberta continued to have the lowest violent and property crime rates of the four western provinces. Also, more Albertans felt very or somewhat comfortable walking alone at night in their neighbourhood, and an increasing percentage of adult Albertans felt that human rights were well protected in Alberta. However, in 2003, there was an increase in the percentage of fatal collisions involving drinking drivers and an increase in the percentage of inspected commercial vehicles that required the attention of a mechanic.

The high quality of Alberta's environment will be sustained - $164 million (page 87). Alberta continued to enjoy a high quality environment. The quality of surface water and air remained high and there were further reductions in greenhouse gas emissions intensity. Ongoing dry conditions in Alberta, and increasing human activities in the Forest Protection Area, challenged the government's efforts to contain the number of human-caused wildfires in Alberta.

Albertans will have the opportunity to participate in community and cultural activities and enjoy the province's historical resources and parks and protected areas - $273 million (page 90). In 2003-04, nearly all visitors to provincially-owned historic sites, museums and interpretive centres were satisfied with their experiences, and visitor satisfaction at Alberta's provincial parks and recreation areas was also very high. Adult Albertans' participation in sport and recreation, arts and cultural activities remained consistently high over time; however, results were below the target. The number of adult Albertans volunteering and the use of public libraries were also below the target. Alberta experienced a significant increase in film production employment opportunities for Albertans through the government's support for the film industry in Alberta.

AUDITOR GENERAL *Alberta*

Report of the Auditor General on the Results of Applying Specified Auditing Procedures to Performance Information

TO THE MEMBERS OF THE LEGISLATIVE ASSEMBLY

In connection with the Province of Alberta's performance measures included under each of the 12 goals in the Government of Alberta Annual Report for the year ended March 31, 2004, I have:

1. agreed information from an external organization to reports from the organization.
2. agreed information from reports that originated within the Government of Alberta to source reports. In addition, I tested the procedures used to compile the underlying data into the source reports.
3. checked that the presentation of results is consistent with information in the Measures Methodology and Data section included in the report.
4. checked that the results presented are comparable to stated targets, and information presented in prior years.
5. checked that the performance measures, as well as targets, agree to and include results for all of the measures presented in Budget 2003.

As a result of applying the above procedures, I found the following exception:

- There was no survey data available for one measure *Local Authorities' Satisfaction with ACFA*. Therefore, I was not able to complete procedures 2 to 5 above for this measure. Management states in the Discussion and Analysis section under Goal 6 of the Government of Alberta Annual Report why survey data was not available.

Procedures 1 to 5, however, do not constitute an audit and therefore I express no opinion on the performance measures included in the Government of Alberta Annual Report for the year ended March 31, 2004.

Fred J. Dunn

FCA
Auditor General

Edmonton, Alberta
June 15, 2004

1 Albertans will be healthy

Performance Summary

In 2003-04, the Alberta government directed $7,634 million towards the health care system. Albertans continued to enjoy good health with life expectancy of Albertans ranking among the top ten countries in the world. Most Albertans rated their ease of access to physician and hospital services as "very easy" or "easy", consistent with previous years, and rated the overall quality of care they received as "good" or "excellent". Health facilities remained in acceptable physical condition.

Discussion and Analysis

Long life expectancy for males and females

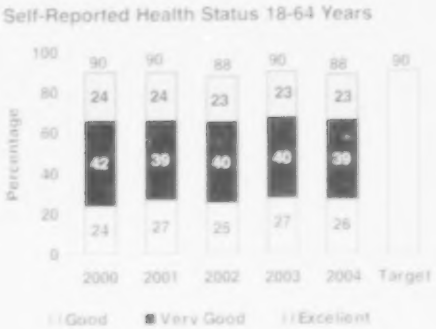
Albertans are relatively healthy. Long life expectancy is related to access to health care, a healthy diet, and the benefits of a healthy environment and workplace. International comparisons have shown that life expectancy is also related to national wealth and economic development, the quality of the health care system and individual socio-economic status. Internationally, in 2002, Alberta females and males ranked 10th and 5th at 82 years and 77.4 years (tied with Singapore), respectively, meeting the target to rank among the top ten countries in the world. Female and male life expectancy ranked 25th in the United States at 79.8 years and 74.6 years respectively.

Life expectancy is strongly affected by infant mortality and the four major causes of death: heart disease, cancer, respiratory disease and injuries. Reducing mortality rates from these factors will increase overall life expectancy for all Albertans.

Majority of Albertans enjoyed good to excellent health

Self-reported health status is a good indicator of the health and well-being of Albertans. How people rate their own health is affected by a variety of factors including chronic disease, disability, temporary illness and mental health. In 2004, 88% of Albertans aged 18-64 years and 78% of Albertans aged 65 years and over rated their health as "good", "very good" or "excellent", almost meeting the targets of 90% and 80%, respectively.

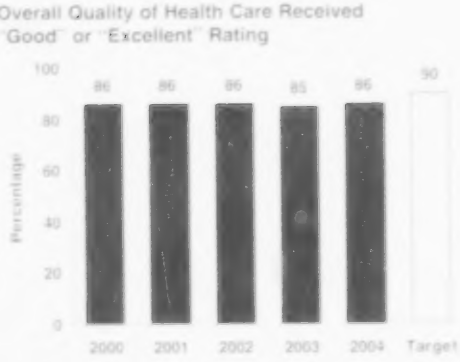
Albertans will be healthy



Healthy lifestyles contribute to longevity and improved quality of life. In January 2003, The Healthy U public education campaign was implemented to encourage healthy lifestyles and a Framework for a Healthy Alberta was developed with 10-year health objectives and targets. According to the 2000-01 Canadian Community Health Survey, Alberta ranked 4th in the percentage of residents reporting "excellent" or "very good" health in comparison with other provinces. More than half of the respondents (52%) were exercising regularly, below the target of 62% by 2012; approximately half were at acceptable weight levels (47%), below the target of 55% by 2012; and a high percentage (72%) reported their smoking status as non-smoking, below the target of 82% by 2012. The Alberta Tobacco Reduction Strategy was launched in March 2002. From 2001-02 to 2003-04, there has been a 20% decrease in shipments of tobacco products to Alberta. Although the results from the Canadian Community Health Survey are below the national targets set for 2012, very good progress has been made in the area of tobacco reduction.

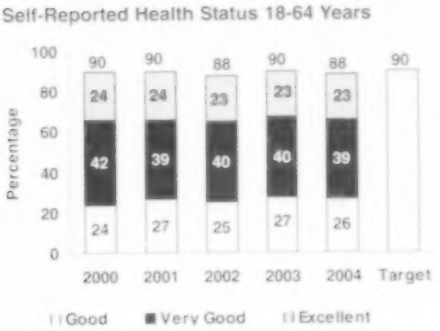
In 2004, 86% of Albertans continued to receive "excellent" or "good" quality health services, almost meeting the target of 90%. In addition, 85% of Albertans reported "very easy" or "easy" access to physician services, meeting the target of 85%, while 73% of Albertans reported "very easy" or "easy" access to hospital services, slightly below the target of 75%.

High ratings by Albertans who received health care services



In 2003-04, an unprecedented eight-year agreement was signed with the Alberta Medical Association and Alberta health regions, which will change how physicians, health regions and government work together to improve patient care. It provides support for 24-hour per day access to local primary care services and links physicians to the Alberta Electronic Health Record. This allows health care providers immediate access to patients' records. Funding ensures the appropriate levels of health professionals, staff, equipment, medications and supplies. Through legislation such as the *Health Professions Act* and the *Hospitals Act*, the Alberta government ensures that health professionals are highly skilled and professional in their interaction with patients and that health facilities are managed appropriately.

Albertans will be healthy



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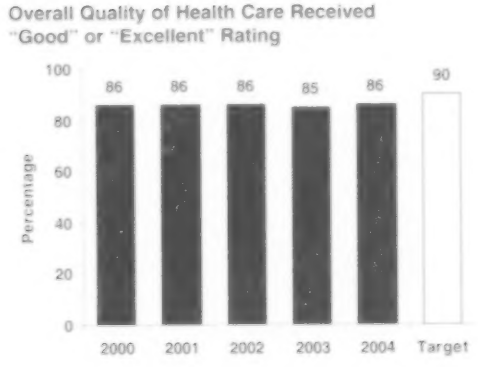

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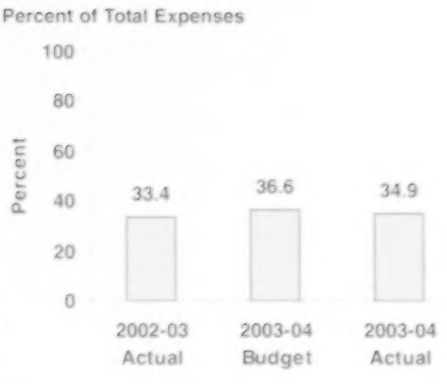
Albertans will be healthy

Performance Results



This goal includes spending of the following ministries: Health and Wellness, Infrastructure, and Revenue.

Measures	2003-04 Targets	Current Results	Previous Results
Life Expectancy at Birth - Life expectancy of Alberta females at birth to rank among the top ten countries in the world.	Top 10	10th (2002)	6th (2001)
Life expectancy of Alberta males at birth to rank among the top ten countries in the world.	Top 10	5th (tied) (2002)	5th (2001)
High Birth Weight (First Nations) - Percentage of newborns greater than 4500 gms per hundred hospital births.	To be determined	4.7% (2002-03)	4.3% (2001-02)
Self-Reported Health Status - Percentage of Albertans aged 18-64 who rate their health as "good", "very good" or "excellent".	90% by 2004	88% (2004)	90% (2003)
Percentage of Albertans aged 65 and over who rate their health as "good", "very good" or "excellent"	80% by 2004	78% (2004)	80% (2003)
Ease of Access to Physician and Hospital Services - Rating as "easy" or "very easy" access to:			
Physician Services	85% by 2004	85% (2004)	86% (2003)
Hospital Services	75% by 2004	73% (2004)	72% (2003)
Overall Quality of Health Care Received - Albertans' rating of overall quality of care as "excellent" or "good".	90% by 2004	86% (2004)	85% (2003)
Physical Condition of Health Facilities - Percentage of health facilities in acceptable ("fair" or "good") condition.	93%	95% (2003-04)	*

* The previous result is not comparable to the current result.

Note: The **Participation in Healthy Behaviour** measure is not included in the table as current data was not available at time of publication.

For more information, see the Measures Methodology and Data section.

Albertans will be well prepared for lifelong learning and work

PERFORMANCE SUMMARY

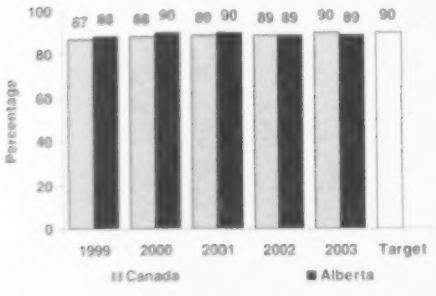
In 2003-04, the Alberta government directed $5,850 million towards the preparation for lifelong learning and work. Alberta's learning system provides high quality learning opportunities for Albertans. Results in the learning system are cumulative and reflect years of investment of resources and effort by the province, school boards, post-secondary institutions, staff throughout the system, learners and their families. Overall in 2003-04, results remained strong in most areas. Educational attainment levels of Albertans aged 25-34 were similar to the previous year's result. Results on Provincial Achievement Tests in Grade 9 mathematics and language arts have been relatively stable in recent years. Alberta's learning system performed well in supplying skilled graduates to meet the needs of Alberta business and industry, as indicated by high employer satisfaction levels with recent high school and post-secondary graduates. Albertans continued to be satisfied with their access to lifelong learning. School facilities remained in acceptable physical condition, while post-secondary institutions showed a slight decline from the previous years' ratings.

DISCUSSION AND ANALYSIS

Results indicate that Albertans are well prepared for lifelong learning and work. High school completion provides young people with entry-level knowledge and skills for employment and further study, and post-secondary completion indicates mastery of higher-level skills for career success. Education programs in Alberta have demanding learning expectations for students. Completion of these programs is an indication that students have excelled. Part of helping Albertans become independent is ensuring that they have the knowledge and skills to participate in a changing economy and workforce. An essential component of this is having the necessary literacy and numeracy skills to function in society.

Majority of Albertans completed high school

High School Completion



High completion rates in recent years may reflect growing awareness among young Albertans of the importance of education for improving their prospects for success in the labour force, where jobs increasingly require higher-level knowledge and skills. In 2003, 89% of Albertans reported completing high school, almost meeting the target of 90% set for 2003. 57% of Albertans reported completing post-secondary education, below the target of 60% set for 2003.

Majority of Grade 9 students achieved the acceptable standard in language arts

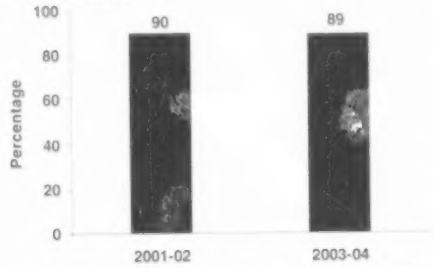
Students who achieve the acceptable standard on Provincial Achievement Tests have the necessary skills to become literate and numerate adults. In recent years, improved curriculum and instructional resources have been implemented in core subjects to support student achievement in these areas. In 2002-03, 78% of students in Grade 9 achieved the acceptable standard in the language arts achievement test, approaching the target of 80% set for 2003-04. In the same year, 63% of students in Grade 9 achieved the acceptable standard in the mathematics achievement test, below the target of 67% set for 2003-04. The decline in results from previous years is somewhat related to a decrease in student participation in the tests, as percentages reported are based on total enrollment in Grade 9.

Educational attainment levels of Aboriginals increasing over the longer term

In 2002-03, 50% of identified Aboriginal students met the acceptable standard on Grade 3, 6 and 9 Provincial Achievement Tests in language arts, mathematics, science and social studies, compared to the previous three-year moving average of 48% (1999-00 to 2001-02). The Aboriginal Policy Initiative target to increase results by one percentage point was met. Census data from Statistics Canada indicate that the educational attainment levels of Aboriginal Albertans is increasing over the longer term. From 1991 to 2001, the percentage of Aboriginal Albertans with high school completion increased from 48% to 56% and the percentage with post-secondary completion increased from 25% to 32%. The Alberta government accepted the recommendation in the final report of Alberta's Commission on Learning to provide an increased focus on supporting Aboriginal students.

High employer satisfaction with graduates

Skill Development - Employer Satisfaction with Graduates

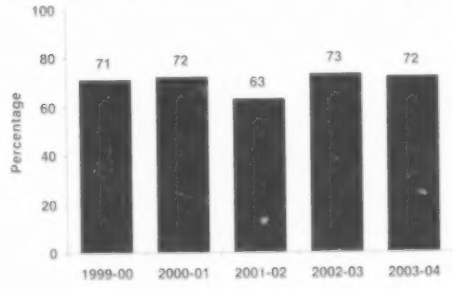


To remain competitive in the global economy, Alberta businesses and industries require a highly skilled and productive work force. In 2003-04, 89% of Alberta employers were satisfied overall with the skills and quality of work of recent high school and post-secondary graduates from the Alberta learning system, not significantly different from the results in 2001-02.

Satisfaction with recent graduates indicates that Alberta's adult learning system is meeting industry's need for skilled workers, which supports the government's overall policy of sustaining economic progress and competitiveness in Alberta. Alberta's learning system responds to employer needs by providing up-to-date programs and expanding programs in high demand fields. Economic conditions in Alberta may influence employers' perceptions.

Majority satisfied that Albertans have easy access to lifelong learning

Satisfaction with Access to Lifelong Learning

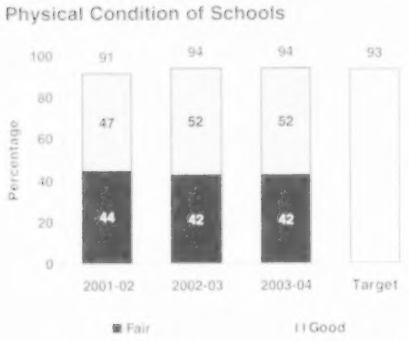


Albertans are encouraged to keep learning throughout their lives and to realize their goals. In 2003-04, 72% of adult Albertans surveyed were satisfied that Albertans have easy access to lifelong learning. This result is not significantly different from results in previous years, with the exception of 2001-02. The results for 2001-02 may have been affected by heightened public concern as a result of 9/11 and the teacher labour action.

Adult Albertans were also surveyed to determine if they have taken some education or training in the past 12 months. In 2003-04, 28% of respondents aged 25+ indicated that they had participated in some education or training. The target for 2003-04 was 32%.

Albertans will be well prepared for lifelong learning and work

Majority of school facilities and post-secondary institutions were in acceptable condition



Measuring the physical condition of school facilities provides assurance to Albertans that the capital and maintenance funding provided to school boards is appropriately spent. This measure also assists school boards and the government in their long-term capital planning efforts. During 2003-04, $81,901,320 in capital funding was provided to school boards to preserve, upgrade or replace existing school infrastructure, and to build new facilities where enrolment pressures existed. In addition, $27,737,680 was provided under the Infrastructure Maintenance Program to enable school boards to undertake minor maintenance projects.

As a result, in 2003-04, an estimated 94% of schools were rated in acceptable condition, exceeding the target of 93%. Of the schools in acceptable condition, the number estimated in good condition remained at 52%. Significant upgrades and modernizations were undertaken and a number of new schools opened during the year. The condition assessments performed in 1999-00 have not been refreshed to determine the extent to which schools have deteriorated since that time. Several schools were disposed of as they were deemed by the school boards to no longer meet their needs.

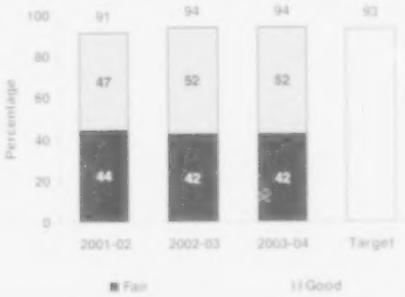
Post-secondary institutions also play a significant role in the quality of life for Albertans by ensuring the availability of life-long learning opportunities. Together with the post-secondary institutions, the government monitors the condition of post-secondary facilities to determine the most appropriate allocation of funding. During 2003-04, a number of new facilities were completed in Fort McMurray, Red Deer, Lethbridge and Medicine Hat, for which funding support was provided in previous years. $33 million was also provided under the Infrastructure Maintenance Program to enable post-secondary institutions to maintain their facilities.

In 2003-04, an estimated 84% of post-secondary institutions were rated as acceptable, below the target of 91% for the reporting period. The lower than expected result is due primarily to enhanced data being provided by the post-secondary institutions, and a change in the condition rating scale from the previous year. The new scale is being phased in and once fully implemented, will allow an accurate comparison of condition ratings between post-secondary institutions, schools, health facilities and government facilities. The result was also impacted by the addition of the new facilities brought on stream during the year.

Albertans will be well prepared for lifelong learning and work

Majority of school facilities and post-secondary institutions were in acceptable condition

Physical Condition of Schools



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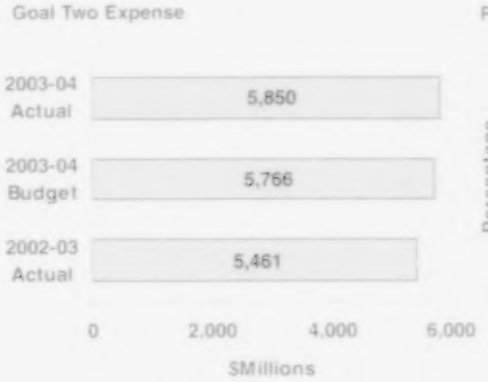
Albertans will be well prepared for lifelong learning and work

Performance Results



This goal includes spending of the following ministries: Human Resources and Employment, Infrastructure, and Learning.

Measures	2003-04 Targets	Current Results	Previous Results
Educational Attainment - Percentage of Albertans aged 25-34 that have completed high school	90%	89% (2003)	89% (2002)
Percentage of Albertans aged 25-34 that have completed post-secondary education	60%	57% (2003)	58% (2002)
Achievement of Aboriginal Students Grades 3, 6 and 9 - Percentage of Aboriginal students who write and achieve the acceptable standard on provincial achievement tests in language arts, mathematics, science and social studies (aggregate results for all subjects and grades)	58%*	50% (2002-03)	48% (1999-00 to 2001-02)
Literacy and Numeracy Levels Grade 9 - Percentage of Alberta's Grade 9 students who meet acceptable standards on Provincial Achievement Tests in language arts	80%	78% (2002-03)	79% (2001-02)
Percentage of Alberta's Grade 9 students who meet acceptable standards on Provincial Achievement Tests in math	67%	63% (2002-03)	65% (2001-02)
Adult Participation in Learning - Participation rate of Albertans 25+ in credit and non-credit courses	32%	28% (2003-04)	30% (2002-03)
Physical Condition of Educational Institutions - Percentage of schools in acceptable ("fair" or "good") condition	93%	94%e (2003-04)	94%e (2002-03)
Percentage of post-secondary institutions in acceptable ("fair" or "good") condition	91%	84%e (2003-04)	88% (2002-03)

* Target is not comparable to the result reported as it is based on a different methodology
e – estimate
Note: The **Skill Development** and **Lifelong Learning** measures were not included in the table as targets have not been established.

For more information, see the Measures Methodology and Data section.

GOAL THREE

Alberta's children will be supported in reaching their potential

Performance Summary

In 2003-04, the Alberta government directed $699 million towards the well-being of children. In 2000, fewer children were economically disadvantaged compared to children in other provinces. In 2003-04, 44.5% of all licensed day care centres achieved a score of 5 or more which is considered to be good to excellent with respect to providing a developmentally appropriate environment. An additional 31% of child care centres achieved a basic to good rating.

Discussion and Analysis

All children should have the opportunity to reach their potential. Low income affects children and their families in negative ways. Children who live in poverty are at greater risk of experiencing problems such as illness, behaviour and learning difficulties, and family violence. Ensuring that children are safe, healthy and encouraged to learn is the most important goal of any society.

Majority of Alberta's children were living above the MBM low-income thresholds

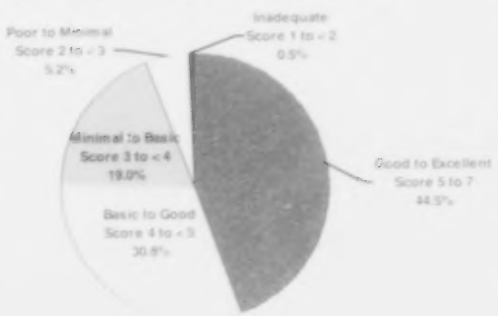
The Market Basket Measure (MBM) determines the cost of a "market basket" of specified goods and services. The basket includes the cost of a nutritious diet, clothing for work and social occasions, housing and transportation, and other goods and services including personal care items, household supplies, furniture, basic telephone service, reading material, school supplies, recreation and entertainment. In 2000, 85% of Alberta's children were living at or above the MBM low-income thresholds, exceeding the Canadian average of 83%. Alberta has the second highest percentage of children (Ontario has the highest percentage) living at or above the low-income thresholds compared to other provinces.

Children living in low-income families may qualify for the Alberta Child Health Benefit, a premium-free health benefit plan that provides dental, optical, emergency ambulance, essential diabetic supplies and prescription drug coverage.

Based on assessments completed in child care centres, improvements where needed, are made to increase the likelihood of better outcomes for children

Families are the foundation to nurture a child's development. Although parents have the primary responsibility of raising their children, communities, organizations, schools, businesses, and governments all have supporting roles to play in meeting the needs of Alberta's children. Increasingly, research supports the important role that a child's environment plays in the early years of their development.

Child Care Centres in each Score Range



The assessments completed in child care centres focused on spatial, programmatic and interpersonal features that directly affect children's experiences in early childhood settings. Assessment sub-scales of space and furnishings, personal care routines, language, activities, interaction, program structure, and provisions for parents and staff provide a comprehensive definition for the assessment of "environment". Results for 2003-04 report that 44.5% of child care centres achieved scores in the good-excellent range. An additional 30.8% of child care centres were in the basic-good range for the

child care environment. A target was set to determine if the 2003-04 results increased 5% over the 2002-03 results. Results for 2003-04 can not be compared to 2002-03 since the measure was not fully implemented in the 2002-03 fiscal year.

Information from the assessment is provided to the child care program by the child care specialist to make specific improvements in their practices and in the environment, increasing the likelihood of better outcomes for children.

In response to issues identified by the child care sector, such as difficulty recruiting and retaining qualified staff, and to research that indicates higher quality care leads to better outcomes for children and families, the Alberta government has initiated the Alberta Child Care Accreditation Program. This initiative will establish standards of high quality care and provide supports to child care programs that exceed the basic requirements of licensing and demonstrate improvement in child care services.

The Children in Care measure looks at children under the guardianship or custody of the Provincial Child Welfare Program per 1,000 child population. Baseline data for this performance measure will be established in 2004-05.

PERFORMANCE RESULTS

Goal Three Expense

Percent of Total Expenses

This goal includes spending of the following ministry: Children's Services.

Note: Targets have not been established for the following measures: **Well-Being of Children** and **Children in Care**. Data for the **Child Care Centres** measure cannot be compared to the target (5% over 2002-03 results), since the measure was not fully implemented in 2002-03.

For more information, see the Measures Methodology and Data section.

GOAL FOUR

Albertans will be self-reliant and those unable to provide for their basic needs will receive help

Performance Summary

In 2003-04, the Alberta government directed $1,724 million to assist Albertans to become self-reliant and those who are unable to provide for their basic needs. In 2000, fewer Albertans were economically disadvantaged compared to people in other provinces. Based on biennial survey results for 2002-03, overall satisfaction by families/guardians of persons with developmental disabilities has been very high, with the services received by the person to whom they provide guardianship.

Discussion and Analysis

There are many reasons why some Albertans have difficulty in providing for their own needs and those of their families. An individual's income may be affected by illness or injury, disability, frailty, life circumstances (i.e., family breakdown, job loss), lack of education or skills, addiction, or lack of employment/underemployment.

Majority of Albertans were living above the MBM low-income thresholds

The Market Basket Measure (MBM) is a measure of low income. It estimates the cost of a specific basket of goods and services. Individuals living at or above the low-income thresholds are considered able to sustain a modest standard of living or better. In 2000, 88% of Albertans were living at or above the MBM low-income thresholds, exceeding the Canadian average of 87%. Tied with Quebec, Alberta has the second highest percentage of people (Ontario has the highest percentage) living at or above the thresholds compared to other provinces.

The Alberta government offers a number of programs to help Albertans meet their basic needs. These include: Alberta Child Health Benefit, Alberta Adult Health Benefit, Integrated Income Support, Assured Income for the Severely Handicapped, Childcare Subsidy, Alberta Aids to Daily Living, Alberta Family Employment Tax Credit; Alberta Seniors Benefit and Special Needs Assistance for Seniors, and health care premium and non-group health benefit subsidies. Further, more than 67,000 low-income Albertans were provided with subsidized housing through seniors, family and special needs housing programs. Many low to moderate-income families, individuals, persons with special needs and seniors were also helped by the implementation of the Canada-Alberta Affordable Housing Program Agreement. Using $41.0 million in federal and provincial funding, 872 new affordable housing units in high-growth, high-need communities were approved for a housing continuum of support. The multi-year Lodge Upgrading Program continued with an accumulated total of 118 seniors' lodge upgrades completed out of the 121 eligible lodges in the program. The program concludes in 2004-05.

The Government of Alberta encourages Albertans to earn income and become independent. The government ensures that Alberta has a skilled workforce by helping people overcome their skills deficits by providing services to help individuals prepare for, train for, find and keep employment. Interventions are specially targeted toward disadvantaged Albertans, including youth, Aboriginal people, immigrants and persons with disabilities.

GOAL FOUR

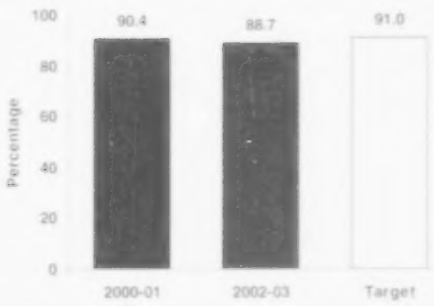
Albertans will be self-reliant and those unable to provide for their basic needs will receive help

Seniors were provided with the opportunity to apply for ASB

Many retired seniors who live on a fixed or low income are challenged to meet the rising costs of food, housing and health related expenses. The government ensures that seniors are provided with the opportunity to apply for the Alberta Seniors Benefit, and has developed a new measure of opportunity to apply. Preliminary results from the first year's data collection for this measure indicate that 99% of seniors were provided with this opportunity. Since the Alberta Seniors Benefit is a voluntary program, seniors have a choice of whether they would like to apply. In 2003-04, over 126,000 low-income seniors were provided cash benefits through the Alberta Seniors Benefit.

Families/ guardians, of persons with developmental disabilities reported high satisfaction with the PDD-funded services received by the person to whom they provide guardianship

Satisfaction with PDD-Funded Services



Persons with Developmental Disabilities (PDD) Boards provide adults with developmental disabilities with living, employment and community access supports. This program enables adult Albertans with developmental disabilities to participate in the social, economic and cultural life of the province. In 2002-03, 88.7% of families/guardians (public and private) were satisfied with the PDD-funded services received by the person to whom they provide guardianship, almost meeting the target of 91.0%. Survey results may be influenced by waiting periods for services associated with regional demographic shifts such as an increasing population.

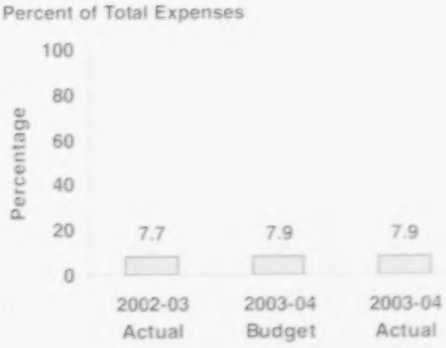
The Community Plans in Place measure has been revised from reporting the percentage of communities within the province that have plans for responding to the housing needs of their citizens to reporting on the seven major urban municipalities that have plans or that are in the process of completing plans to address homeless, special purpose, and affordable housing needs. This measure is still under development.

The Effectiveness of Community Plans measure is no longer considered an appropriate measure of results achieved. In future years, the government will consider other ways to measure the effectiveness of strategies for meeting low-cost community housing needs.

GOAL FOUR 4

Albertans will be self-reliant and those unable to provide for their basic needs will receive help

PERFORMANCE RESULTS



This goal includes spending of the following ministries: Community Development, Human Resources and Employment, Infrastructure, Justice, Seniors, and Solicitor General.

Measure	2003-04 Targets	Current Results	Previous Results
Persons with Developmental Disabilities (PDD) – Satisfaction, by families/guardians of persons with developmental disabilities, with PDD-funded services.	91%	88.7% (2002-03)	90.4% (2000-01)

Note: Measures for: **Economic Status of Albertans**, **Alberta Seniors Benefit**, **Community Plans in Place**, and **Effectiveness of Community Plans** were not included in the table as targets have not been established.

For more information, see the Measures Methodology and Data section.

GOAL FIVE 5

Aboriginal communities in Alberta will be effective and self-reliant

PERFORMANCE SUMMARY

In 2003-04, the Alberta government directed $35 million to address Aboriginal issues not addressed under other government goals. Disparities continue to exist between the social and economic circumstances of Aboriginal people compared to other Albertans; however, data from the 2001 Canada Census indicate that these disparities are decreasing.

DISCUSSION AND ANALYSIS

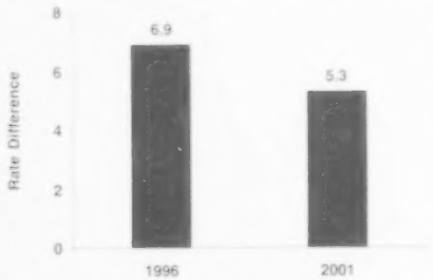
This goal addresses the gap in social and economic circumstances between Aboriginal and non-Aboriginal people in Alberta and encourages improved self-reliance of Aboriginal communities. This goal is supported by the government-wide Aboriginal Policy Framework and the Aboriginal Policy Initiative.

"Aboriginal self-reliance" means the ability of First Nations, Metis and other Aboriginal communities and individuals to manage their own affairs, develop a sustainable economic base, and participate in partnerships with government and the private sector (Strengthening Relationships: The Government of Alberta's Aboriginal Policy Framework, p. 11).

Remote Aboriginal communities may lack a strong economic base and environments supportive of health and learning, as well as access to goods, services and opportunities.

Difference in labour force participation rates of Aboriginal and non-Aboriginal people has decreased

Participation in the Labour Force - Difference between Aboriginal and non-Aboriginal People



Data from the 2001 Canada Census indicate that more Aboriginal people are employed or looking for work (ready to participate in the economy). The participation rate for Aboriginal people increased from 65.8% in 1996 to 68.1% in 2001. The difference between participation rates of Aboriginal people and non-Aboriginal people in the economy decreased from 6.9% to 5.3%. Census data also show that the unemployment rate for Aboriginal people in Alberta decreased by 4.8% (from 17.4% in 1996 to 12.6% in 2001). This rate of decrease is more than twice the rate for the non-Aboriginal population in Alberta.

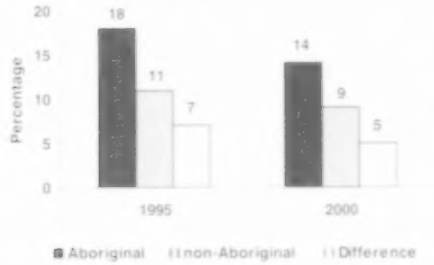
Aboriginal people who are unemployed or underemployed require support to develop the skills needed for sustained employment in occupations with long-term employment prospects. Differences in participation rates between Aboriginal people and other Albertans are related to social and economic factors such as lower levels of educational attainment and the geographic isolation of some Aboriginal communities.

The measure on Self-Generated Revenue by Metis Settlements is intended to document the amount of revenue generated by the Metis Settlements to support the cost of local governments. Funding by the Province to the Metis Settlements is declining, pursuant to the terms of the Matching Grants Replacement Agreement. In 2001-02, Metis Settlements generated an amount equal to 21% of the total funding provided to the Metis Settlements pursuant to the *Metis Settlements Accord Implementation Act*.

Aboriginal communities in Alberta will be effective and self-reliant

Difference in percentage of income received from government transfers between Aboriginal and non-Aboriginal people has decreased

Government Transfers - Difference between Aboriginal and non-Aboriginal People

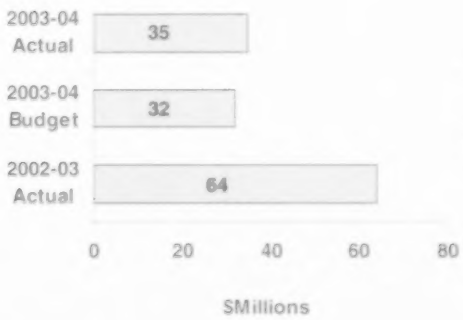


Income earned by a typical Albertan can come from a number of different sources such as employment, investments such as interest and dividends, self employment and government transfers, which is income received from programs such as Old Age Security, the Guaranteed Income Supplement, the Canada and Quebec Pension Plan, Employment Insurance and the Canada Child Tax Benefit. According to the 2001 Canada Census data, the proportion of total income earned from employment is similar for Aboriginal and non-Aboriginal people in Alberta. Aboriginal people earn lower total income than non-Aboriginal people and receive a higher proportion of income from government transfers. The difference in the proportion of income received from government transfers by Aboriginal people compared to non-Aboriginal people declined from 7% in 1995 to 5% in 2000.

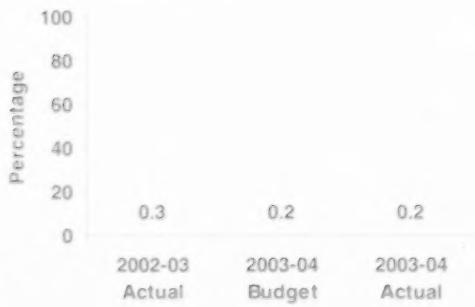
In 1995, 26.5% of income received by Metis Settlement residents was from government transfers. In 2000, the proportion of government transfers decreased since 1995 by 3.5 percentage points to 23%. The proportion of income received from government transfers decreased on seven of the eight Metis Settlements. Percentage decreases ranged from 1.8% in Buffalo Lake to 11.2% in Fishing Lake, with an increase on one Settlement, Paddle Prairie.

Performance Results

Goal One Expense



Percent of Total Expenses



This goal includes spending of the following ministry: Aboriginal Affairs and Northern Development.

Note: Targets have not been established for the following measures: **Participation in the Economy**; **Source of Income - Government Transfers**; **Source of Income (Metis Settlements)**; and **Self-Generated Revenue (Metis Settlements)**.

For more information, see the Measures Methodology and Data section.

GOAL SIX

Alberta will have an effective, responsive and well-managed local government sector

Performance Summary

In 2003-04, the provincial government directed $411 million to support an effective, responsive, and well-managed local government sector. The vast majority of Alberta municipalities met established financial accountability standards and most Albertans experienced continued satisfaction with their municipal governments. The Alberta Capital Finance Authority (ACFA) was unable to consistently provide the lowest cost of borrowing in some maturities to local authorities.

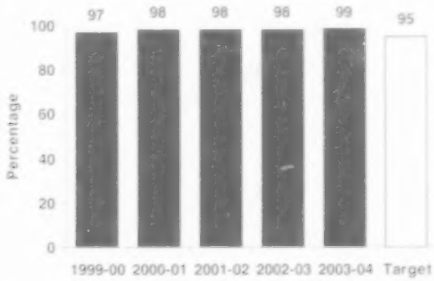
Discussion and Analysis

The Alberta government recognizes that its relationship with municipalities is evolving, and that a coordinated effort is required to ensure services continue to be delivered effectively and efficiently. The Minister's Provincial/Municipal Council on Roles, Responsibilities and Resources in the 21st Century was established as a forum to clarify the roles, responsibilities and resource commitments to allow each order of government to deliver its mandate.

78.8% satisfied with municipal governments

In 2003-04, 99% of Alberta municipalities met the legislation based criteria for financial accountability, exceeding the target of 95%. In addition, 78.8% of Albertans were satisfied with their municipal governments, above the target of 75% satisfaction. When queried as to how municipal governments could improve, Albertans suggested keeping the public informed, listening to the public, ensuring fiscal responsibility, and maintaining and developing infrastructure to better accommodate growth.

Financially Accountable Municipalities

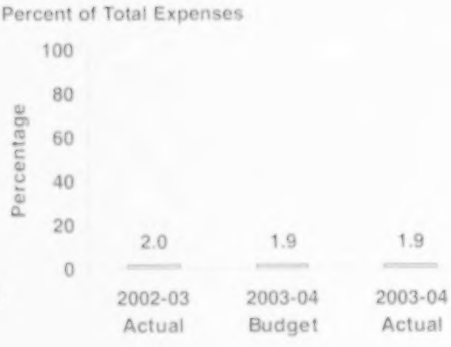


The Alberta Capital Finance Authority (ACFA) aims to offer the lowest cost of borrowing to local authorities in Canada. The ACFA compares Alberta local authorities' cost of borrowing to the Municipal Finance Authority of British Columbia (BCMFA) and the City of Toronto. The target was consistently met for short-term rates, but mid- and long-term rates, 5 through 25 years, were comparable to, or slightly higher than the rates of two comparable authorities, the lowest rates in Canada. A biennial survey is conducted to measure shareholder satisfaction with ACFA's lending policies and efficiency levels. Due to changes in lending policies the biennial survey, last conducted in 2001, has been rescheduled for September 2004 to measure the impact of these significant changes on stakeholder satisfaction.

GOAL SIX

Alberta will have an effective, responsive and well-managed local government sector

PERFORMANCE RESULTS



This goal includes spending of the following ministries: Finance and Municipal Affairs.

Measures	2003-04 Targets	Current Results	Previous Results
Albertans' Satisfaction with their Local Governments - Percentage of Albertans satisfied with their local governments.	75%	78.8% (2003-04)	79.6% (2002-03)
Municipal Financial Accountability - Municipalities meeting the provincial criteria of financial accountability.	95%	99% (2003)	98% (2002)
Local Authorities' Cost of Borrowing from ACFA - Rank of borrowing costs from Alberta Capital Finance Authority (ACFA), formerly Alberta Municipal Financing Corporation, relative to other Canadian municipalities.	Lowest	Met for short-term rates. Mid- and long-term rates were comparable to, or slightly higher than the lowest rate (2003)	Met for short- and long-term rates. Mid-term rates were slightly higher than the lowest rate (2002)
Local Authorities' Satisfaction with ACFA - Percentage of local authorities satisfied or very satisfied with: (biennial survey)		Biennial survey not conducted. Scheduled for September 2004.	
Lending policies of the Alberta Capital Finance Authority	85%		83% (2001)
Efficiency of the Alberta Capital Finance Authority	85%		89% (2001)

For more information, see the Measures Methodology and Data section.

GOAL SEVEN

Alberta will have a prosperous economy

Performance Summary

In 2003-04, the Alberta government directed $2,056 million towards the promotion of a prosperous economy. This level of expenditure was $648 million higher than the 2003-04 budget, primarily reflecting increased assistance to the agriculture sector.

Despite significant challenges from the economic impact of Bovine Spongiform Encephalopathy (BSE) and an unprecedented 22% rise in the Canadian dollar, the Alberta economy showed considerable strength and resilience in 2003. It grew at an estimated 3.1%, almost double the Canadian growth rate. Alberta's economic performance was fuelled by a strong increase in conventional energy sector investment and a robust household sector. Also, Alberta enjoyed the second lowest unemployment rate of any province in 2003, and led the country in job growth. Furthermore, Alberta continued to have the highest level of personal disposable income per capita among the provinces.

Discussion and Analysis

The Alberta economy enjoyed broad-based growth supported by a robust provincial labour market, income gains and continued low interest rates. The longer-term growth rate of the Alberta economy, as measured by the three-year average annual growth rate in nominal GDP, grew by 6.1%, during 2001-03 exceeding the target of 4%.

Strong broad-based economic growth

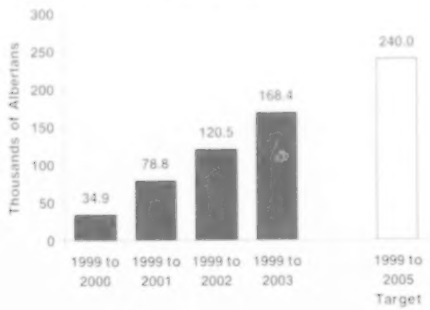
Three-Year Average GDP Growth

Alberta's economy withstood several challenges in 2003. The temporary closure of borders to live cattle and beef exports, due to BSE, necessitated one-time disaster payments to the agriculture sector of over $650 million. Of this amount, the Alberta government contributed about $420 million, with the federal government contributing the remainder. The federal-provincial bilateral agreements for the five-year Agricultural Policy Framework were signed in 2003, resulting in the creation of the Canadian Agricultural Income Stabilization program, which was made available for eligible farmers and ranchers to protect against declines in farm income.

Led country in job growth

A strong economy increases employment opportunities for Albertans, enabling them to benefit from the province's economic growth. Alberta led the country in job growth in 2003, recording a 2.9% increase in employment, or a gain of 47,900 jobs. 168,400 net new jobs were created over the four-year period 1999-03. The target is for 240,000 jobs to be generated over the six-year period 1999-05.

Job Growth - Net New Jobs



Led country in labour productivity

Labour productivity is a measure of the efficiency and competitiveness of an economy. Economic theory suggests that, in the long run, higher productivity growth is necessary for improving the overall standard of living and, at the same time, maintaining or enhancing the competitiveness of an economy. Alberta continued to meet its target of maintaining the highest labour productivity among the provinces.

Second in the country in business Internet use

The Internet is an integral part of the innovative process for the creation, distribution and application of knowledge and information. Internet-connectedness allows the exchange and sharing of information as well as relationship building among businesses and with their customers. The percentage of Alberta households in which at least one member uses the Internet at work can be used as a proxy to measure business use of the Internet in the province, as well as the degree of openness Alberta businesses have in adopting new technologies and innovative business practices. In 2002, 38.0% of Alberta households had at least one member who used the Internet at work, virtually unchanged from 38.3% the previous year. Alberta had the second highest percentage of households that use the Internet at work among provinces, behind Ontario. The target is for Alberta to be among the top three provinces in business Internet use.

University sponsored research funding decreased slightly

University research plays a vital role in the economy. Research conducted in Alberta's universities contributes to innovative discoveries that have the potential for economic and social benefits. Success in acquiring and increasing sponsored research revenue is accomplished through highly competitive, excellence driven research activities. Although sponsored research funding fell by $3.3 million in 2002-03 to $434.2 million, the 2002-03 target was exceeded. The result is below the 2003-04 target of $460 million. Sponsored research has nearly doubled since 1998-99, reflecting the introduction of new programs and the expansion of existing programs, at both the federal and provincial levels, aimed at increasing the research capacity and capability of Alberta universities.

Value-added output increased

Historically, resource-based industries have accounted for over 20% of Alberta's GDP. Increasing value-added processing of these resources will facilitate Alberta's continued transition into a diversified, knowledge-based economy that is globally competitive. Value-added industries include resource-processing, manufacturing of goods and the provision of various services. Knowledge-intensive manufacturing and services are high value-added industries and employ a high percentage of knowledge workers, or involve the development or application of advanced technologies. The provincial government actively promotes investment in value-added industries. For example, in 2003-04, 77 agribusinesses were directly assisted in value-added diversification. In 2003, the value-added sector grew by 2.5%. Output in the manufacturing sector rose by 2.6%, while the knowledge-intensive service industries had real growth of 2.4%. In 2003, the value-added sector accounted for 29.8% (preliminary) of Alberta's real GDP, below the target of the value-added share being greater than 30.7% and relatively unchanged from 30.1% in 2002.

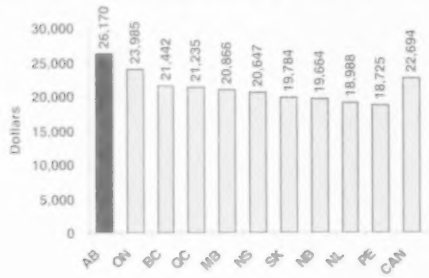
Alberta will have a prosperous economy

Value-added exports declined

Exports are a vital part of Alberta's economy and expanding the province's international value-added exports is important for sustaining Alberta's economic growth in a globally competitive marketplace. In 2003, international value-added exports declined for the third consecutive year, by 5.9%, to $20.6 billion (preliminary), below the target of $22.7 billion. This decline was a result of a prolonged slump in the information and technology sector, reduced manufacturing exports due to BSE-related border closures, a strong Canadian dollar, and reduced travel and tourism due to SARS, global uncertainty arising from the war in Iraq, and the threat of terrorism.

Highest personal disposable income

Personal Disposable Income Per Capita



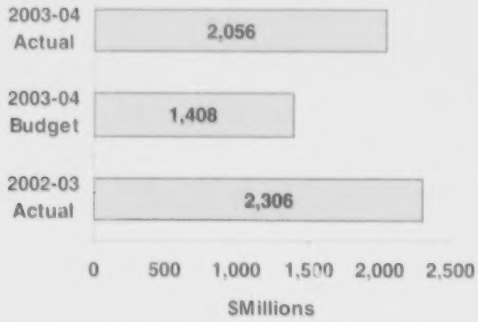
Personal disposable income per capita is an important measure of the well-being of consumers. At $26,170, Alberta had the highest average personal disposable income per capita of any province in 2003, 15.3% above the Canadian average of $22,694. The target is for Alberta to be among the top two provinces in personal disposable income per capita.

The promotion of free and unimpeded movement of goods, services, people and capital across borders is an important criteria for enhancing the economic performance and well-being of a region. In recent years, there have been several barriers placed on Alberta's ability to trade effectively. For example, the softwood lumber dispute and border closures related to BSE. Alberta continues to work closely with the federal government, other provinces and industry to pursue durable long-term solutions. A long-term resolution of the softwood lumber dispute is targeted for December 2005.

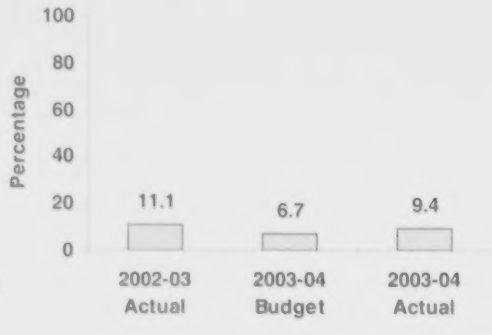
Alberta will have a prosperous economy

PERFORMANCE RESULTS

Goal Seven Expense



Percent of Total Expenses



This goal includes spending of the following ministries: Agriculture, Food and Rural Development, Economic Development, Energy, Finance, Gaming, Government Services, Human Resources and Employment, Innovation and Science, Learning, Municipal Affairs, Revenue, Sustainable Resource Development and Transportation.

Measures	2003-04 Targets	Current Results	Previous Results
Gross Domestic Product (GDP) – Long-term growth rate of the Alberta economy as measured by the three-year average annual growth rate of nominal provincial GDP.	4%	6.1% (2001-03)	9.1% (2000-02)
Job Growth - Cumulative number of net new jobs created in Alberta on an annual average basis since 2000.	240,000 by December 2005	168,400 over 4 years	120,500 over 3 years
Labour Productivity - Inter-provincial rank of real GDP in dollars per hour worked.	Highest	Highest (2003)	Highest (2002)
Business Innovation - Alberta's inter-provincial rank of business use of the Internet as measured by the percentage of Alberta households with at least one member who uses the Internet at work.	Top 3 provinces	Second Highest (2002)	Highest (2001)
Sponsored Research at Alberta Universities - Total dollar amount of sponsored research at Alberta universities from all sources.	$460 million by 2003-04	$434.2 million (2002-03)	$437.5 million (2001-02)
Value-Added Industries - Percentage of Alberta's real GDP contributed by the manufacturing and knowledge-intensive service industries.	Greater than 30.7%	29.8%p (2003)	30.1% (2002)
Export Trade - Alberta's international value-added exports, measured in current dollars. This includes manufactured goods, tourism and other services.	$22.7 billion by 2003	$20.6p billion (2003)	$21.9 billion (2002)
Personal Disposable Income - Inter-provincial rank of dollars per capita.	Top 2 provinces	Highest (2003)	Highest (2002)
Barriers to Trade - A long-term solution of the softwood lumber dispute.	December 31, 2005	In progress	New

p - preliminary

For more information, see the Measures Methodology and Data section.

GOAL EIGHT

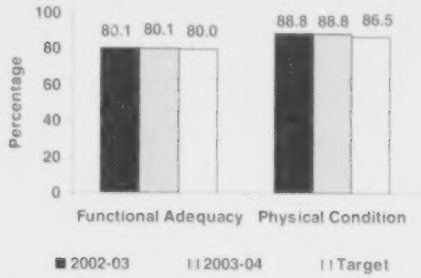
Alberta will have effective and efficient transportation and utilities infrastructure

Performance Summary

A quality infrastructure system is essential to support economic activity. In 2003-04, the provincial government directed $1,020 million to ensure Alberta's transportation and utilities infrastructure capacity was sufficient. This was an increase of $368 million over 2002-03. In 2003-04, Alberta's transportation system was able to accommodate increased economic activity and traffic flow volumes. Furthermore, the condition of Alberta's water management infrastructure was maintained to help ensure the balanced use of water and reduce effects of floods and droughts. Constant progress is also being made on the construction of fibre-optic and wireless connectivity to complete Alberta SuperNet.

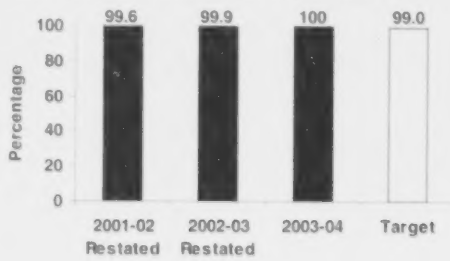
Discussion and Analysis

Functional Adequacy and Physical Condition of Provincial Highways



The Government of Alberta ensures both the National Highway System (NHS) under provincial jurisdiction and the provincial highways promote effective and efficient transportation. In 2003-04, 100% of the NHS under provincial jurisdiction facilitated good traffic flow, exceeding the target of 99%. In addition, 88.8% of provincial highways were in acceptable physical condition, exceeding the target of 86.5%, and 80.1% were deemed functionally adequate, slightly higher than the 80% target.

Level of Service for National Highway System

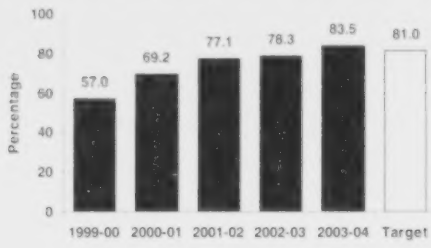


Alberta's rapid population and economic growth promotes urban expansion and heightens traffic volumes, which can lead to safety concerns and impact future year results. For instance, roads suddenly burdened with more traffic, since they provide access to new developments, may no longer be rated functionally adequate because the road is too narrow for increased traffic levels; certain gravel roadways will likely require paving. Approximately 6,000 km of Alberta's paved provincial highways are approaching an age where rehabilitation/reconstruction must be considered.

Alberta will have effective and efficient transportation and utilities infrastructure

83.5% of North-South Trade Corridor Twinned

Twinned Portion of North-South Trade Corridor



Alberta's North-South Trade Corridor is a key component of the CANAMEX Corridor and is vital to the efficient movement of goods across the Canada-United States border. In 2003-04, 83.5% of Alberta's North-South Trade Corridor was twinned and open to travel, compared to the target of 81%.

Water quality and quantity continues to be a priority for Albertans. Based on a full assessment completed in 1999, 96% of provincially-owned water management infrastructure was in acceptable condition, as targeted. Factors that affect this measure are the capacity to assess, upgrade, and maintain water management infrastructure; floods or other acts of nature causing costly damage; and changes in legislation that require alterations and upgrades to the water management infrastructure.

Alberta Environment uses a risk-based approach that combines the physical condition performance measure information with a consequence of failure rating to create a condition risk index value. This innovative and comprehensive method helps manage provincially-owned water management infrastructure more effectively.

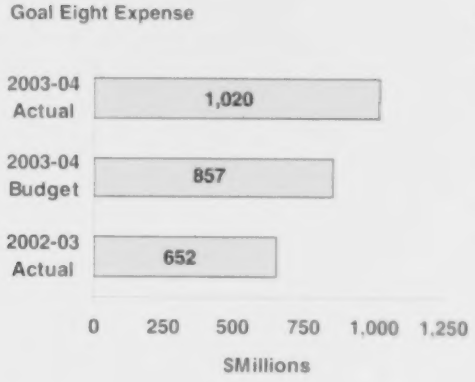
11 communities connected to SuperNet

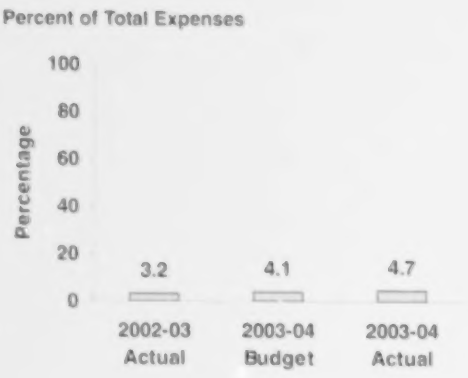
Alberta SuperNet is a high-speed, high-capacity network that will link government offices, schools, health care facilities and libraries in 422 communities across Alberta. There are now 11 communities connected to SuperNet. Progress has been made, with three-quarters of the required fibre put in place and almost half of the communities under construction.

GOAL EIGHT

Alberta will have effective and efficient transportation and utilities infrastructure

PERFORMANCE RESULTS





This goal includes spending of the following ministries: Energy, Infrastructure, and Transportation.

Measures	2003-04 Targets	Current Results	Previous Results
Level of Service for the National Highway System - Ease of traffic flow on Alberta's National Highway System under provincial jurisdiction, measured by the percentage of the system at Level of Service C or better. Traffic flow is not severely restricted in peak hour traffic.	99.0%	100.0% (2003-04)	99.9% (2002-03, restated)
Physical Condition of Provincial Highways - Percentage of provincial highways in acceptable ("fair" or "good") physical condition of pavements.	86.5%	88.8% (2003-04)	88.8% (2002-03)
Functional Adequacy of Provincial Highways - Percentage of provincial highways rated as functionally adequate with respect to road width, geometric design, surface type and ability to carry legal highway loads for the entire year.	80.0%	80.1% (2003-04)	80.1% (2002-03)
North-South Trade Corridor - Percentage of four-lane highway open to travel.	81.0%	83.5% (2003-04)	78.3% (2002-03)
Physical Condition of Water Management Infrastructure - Percentage in acceptable ("fair", "good", or "excellent") condition. Includes headworks, dams and irrigation canals.	96%	96% (1999)	New
SuperNet Completion - Number of communities that can access SuperNet.	356	11 (2003-04)	6 (2002-03)

For more information, see the Measures Methodology and Data section.

GOAL NINE

Alberta will have a financially stable, open and accountable government and a strong intergovernmental position in Canada

PERFORMANCE SUMMARY

In 2003-04, the Alberta government directed $1,043 million towards the central administration of government ($772 million) and debt servicing costs ($271 million). The province earned a triple A credit rating in 2003-04 for domestic debt from all three major credit rating agencies, the highest possible rating and highest among the provinces. Alberta had the lowest total provincial and municipal tax load as a percentage of the provincial average and continued to be far ahead of schedule for accumulated debt repayment. Alberta's public approval rating in federal/provincial relations was equal to the average approval rating of Manitoba, Saskatchewan, Ontario and British Columbia.

DISCUSSION AND ANALYSIS

Public approval ratings reflect Albertans' perceptions of how well the provincial government is advancing the interest of Albertans within Confederation. In 2003-04, Alberta's public approval ratings in federal/provincial relations were on target: equal to the average approval rating of the four nearest provinces (British Columbia, Saskatchewan, Manitoba and Ontario). High profile intergovernmental issues addressed in 2003-04 included: the Kyoto Accord, the federal gun registry, health care funding, the agricultural policy framework, and Bovine Spongiform Encephalopathy (BSE).

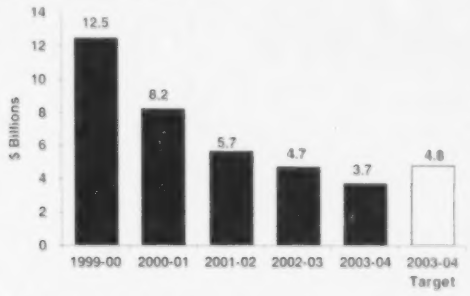
Public approval ratings in federal-provincial relations met target

Alberta's credit rating is a broad measure of the province's financial stability. Alberta continues to maintain a credit rating for both domestic and foreign debt of triple A from all three major credit rating agencies - Standard and Poor's Rating Service, Moody's Investor Service Limited and Dominion Bond Rating Service. Alberta met the target and is the only province with the highest possible rating from all three major rating agencies.

Triple A credit rating-highest possible rating

The high credit rating reflects the rating agencies' positive assessment of the Province's fiscal, economic and political environment. The rating agencies cite Alberta's strong financial position, the commitment to debt repayment, and its record of meeting forecasts and balancing budgets as key reasons for the top rating.

Accumulated Debt*



* less cash set aside for future debt repayment

Alberta's prudent fiscal management was reflected in the accelerated accumulated debt repayment. Accumulated debt includes the outstanding consolidated debt of the General Revenue Fund, the debt of the Alberta Social Housing Corporation (net of borrowings from the General Revenue Fund) and the government's remaining liability for school construction, dating from before the province assumed full responsibility for school construction funding.

GOAL NINE

Alberta will have a financially stable, open and accountable government and a strong intergovernmental position in Canada

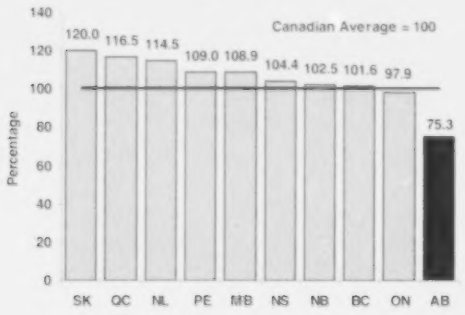
Debt reduction well ahead of schedule

As of March 31, 2004, accumulated debt less cash set aside for future debt repayment was $3.7 billion, significantly better than the Budget 2003 target of $4.8 billion. If resource revenue is stronger than assumed, the Province may be able to eliminate the remaining accumulated debt in the next few years.

The *Fiscal Responsibility Act* also legislated and implemented Alberta's Sustainability Fund (SF) in 2003-04. The SF is an account within the General Revenue Fund, and is the mechanism that protects the fiscal plan from revenue volatility and costs of emergencies, disasters and natural gas rebates. The balance in the SF achieved the target of $2.5 billion in 2003-04.

Lowest tax load among provinces

Provincial and Municipal Tax Load



One of the key components of the Alberta Advantage is Alberta's low tax environment. In 2003-04, Alberta had the lowest tax load (total provincial and municipal) among the provinces at 75.3% of the provincial average. As a result, Alberta maintained its target of having the lowest total provincial and municipal tax load as a percentage of the provincial average among the provinces.

57% satisfied with financial performance information provided

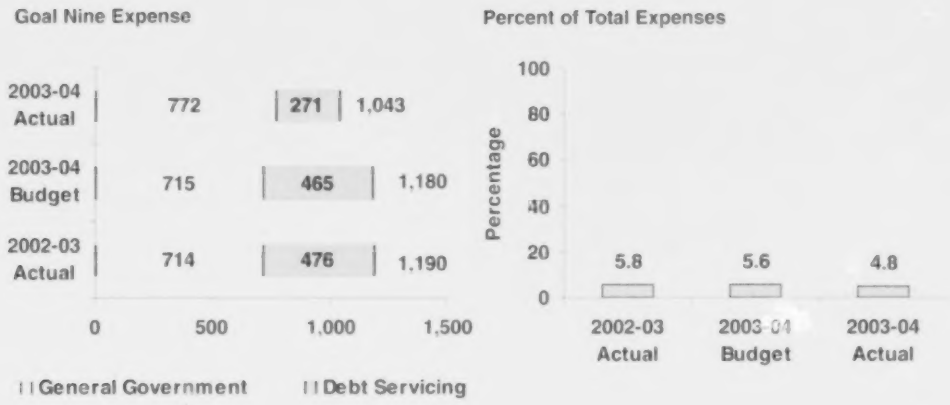
Alberta is dedicated to being financially open and accountable and has become a leader among Canadian governments in financial reporting. The provincial government reports quarterly to Albertans on progress made in achieving the current year's fiscal plan. In 2003-04, 57% of Albertans were satisfied with the information they received from the province on the government's financial performance.

One of the government's long-term goals is to preserve the physical condition of government-owned and supported infrastructure. The percentage of government-owned and operated facilities over 1,000 gross square metres that were rated in acceptable physical condition was 96%.

GOAL NINE

Alberta will have a financially stable, open and accountable government and a strong intergovernmental position in Canada

PERFORMANCE RESULTS



This goal includes spending of the following ministries: Energy, Executive Council, Finance, Government Services, Human Resources and Employment, Infrastructure, Innovation and Science, International and Intergovernmental Relations, Municipal Affairs, and Revenue.

Measures	2003-04 Targets	Current Results	Previous Results
Intergovernmental Relations - Public approval rating in federal-provincial relations compared to the average of the four nearest provinces.	Average or above	Average (2003-04)	Above average (2002-03)
Provincial Credit Rating - Blended credit rating for domestic debt.	AAA	AAA (2003-04)	AAA (2002-03)
Alberta Sustainability Fund - Value of assets in the Fund.	$2.5 billion	$2.5 billion (2003-04)	New
Accumulated Debt - Alberta's accumulated debt, which is the sum of the outstanding consolidated debt of the General Revenue Fund, the debt of the Alberta Social Housing Corporation and the government's liability for school construction.	$4.8 billion*	$3.7 billion* (2003-04)	$4.7 billion* (2002-03)
Tax Load - Inter-provincial rank of Alberta's total provincial and municipal tax load as a percentage of the Canadian average.	Lowest	Lowest (2003-04)	Lowest (2002-03)
Physical Condition of Government-Owned and Operated Buildings (over 1,000 m^2) - Percentage of government-owned and operated buildings in acceptable ("fair" or "good") condition.	97%	96% (2003-04)	97% (2002-03)

* Accumulated debt less cash set aside for future debt repayment

Note: The **Government Financial Accountability** measure is not included in the table as a target has not been established.

For more information, see the Measures Methodology and Data section.

GOAL TEN

Alberta will be a fair and safe place to work, live and raise families

PERFORMANCE SUMMARY

In 2003-04, the Alberta government directed $842 million towards the protection of persons and property. In 2003-04, Alberta workers experienced the lowest recorded work-related injury and disease rate since 1991, and nearly all expired collective agreements were settled without a work stoppage. Although property crime rate increased in 2002, Alberta continued to have the lowest violent and property crime rates of the four western provinces. Also, more Albertans felt very or somewhat comfortable walking alone at night in their neighbourhood, and an increasing percentage of adult Albertans felt that human rights were well protected in Alberta.

DISCUSSION AND ANALYSIS

Healthy workplaces, safe workplace practices and cooperative labour relations are important factors in providing a fair and safe work environment. The provincial lost-time claim rate dropped from 3.4 injuries per hundred person years in 2000 to its current low of 2.9 in 2003, the lowest rate recorded since 1991, but above the target of 2.5. A lost-time claim rate of 2.9 represents about 6,400 fewer lost-time injuries each year and over $100 million in direct annual claims cost savings to the Workers' Compensation Board. The government continues to work towards lowering the lost-time claim rate through the implementation of the Work Safe Alberta initiative and activities such as increasing the maximum fines and the number of prosecutions for *Occupational Health and Safety (OHS) Act* violations, and implementing an industry-led Health and Safety Mentorship program.

Lowest worker injury rate since 1991

Almost 100% of collective bargaining agreements, settled without a work stoppage

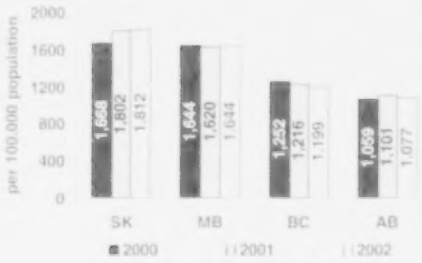
The percentage of expired collective bargaining agreements that were settled without a work stoppage was 99.3%, exceeding the 98% target. This is a substantial achievement considering the number of external factors influencing the measure. Factors impacting the successful negotiations of bargaining agreements include a low unemployment rate and a shortage of skilled workers in some sectors and high expectations of workers as a result of growth in Alberta's economy.

In 2003-04, the Alberta government promoted the benefits of intercultural understanding and encouraged Albertans to contribute to building fair and respectful communities and workplaces through initiatives such as the Help Make a Difference partnership with Global TV, and the Human Rights and Citizenship Commission Diversity Leadership Award of Distinction. The government also provided funding to community groups for initiatives that help reduce discrimination and create more inclusive organizations and communities. In 2003-04, 84.8% of adult Albertans felt that human rights were well protected in Alberta. These results are very near the target of 85%. Results may be affected by issues, events and legislative matters concerning human rights, both in the province and in other jurisdictions around the world, media coverage of those events, and respondents' historical and personal circumstances.

Alberta will be a fair and safe place to work, live and raise families

Violent crime rate decreased; property crime rate increased

Violent Crime

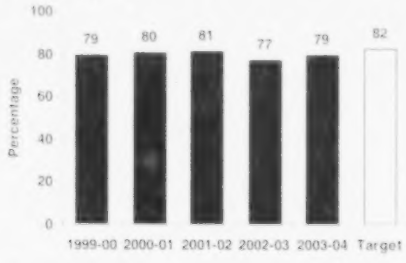


Violent and property crime rates are measures of safety in Alberta communities. In 2002, Alberta had the lowest violent and property crime rates of the four western provinces. Alberta's violent crime rate decreased 2.2% from 2001, while the property crime rate increased 5.7%. The decrease in the rate of violent crime in Alberta was driven by a 5% decline in the rate of robberies and a 4.2% decline in sexual assaults. The increase in property crime was driven by a 4.6% increase in the rate of break-ins and a 7% increase in thefts.

Crime rate is influenced by many factors including educational achievement, population demographics and economic conditions. Alberta crime rates are compared to British Columbia, Saskatchewan and Manitoba as historically, crime rates have been higher in western Canada than in central and eastern Canada. There are a number of possible explanations for this. Western Canada has a younger more mobile population and higher proportion of Aboriginal people than eastern Canadian jurisdictions. These population groups tend to be over-represented as both offenders and as victims of crime. In western Canada, crime rates are lowest in Alberta. One possible explanation for this is the strong Alberta economy. Research indicates that people who have difficulties integrating into the job market, particularly youth, are more prone to criminal involvement. Alberta has the highest participation rate in the labour force of the four western provinces. In 2003-04, the Alberta government provided $3.5 million to establish an Integrated Organized Crime and Gang Enforcement Unit, involving the RCMP, and Calgary and Edmonton city police services. Alberta is also working with other provinces to develop a framework for a uniform securities law to ensure securities markets are efficient and effective across Canada.

Perception of safety in the neighbourhood improved

Public Perception of Safety in the Neighbourhood



In 2003-04, the number of Albertans who said they felt very or somewhat comfortable walking alone at night in their neighbourhoods was below the target of 82%, but increased from 77% to 79%. Fifty-nine percent of Albertans believe that crime in their neighbourhood has decreased or remained the same. About 84% feel that the amount of crime in their neighbourhood is lower, or about the same, as other areas of the province.

Albertans should feel safe travelling Alberta's roads. Growth in inter-provincial and international trade and the need for quick, efficient transport have led to a significant increase in the number of trucks on Alberta's highways. As a result of this increased truck traffic in recent years, the Alberta government has increased its capacity to

Alberta will be a fair and safe place to work, live and raise families

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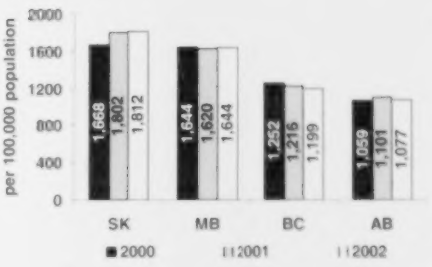
Violent Crime



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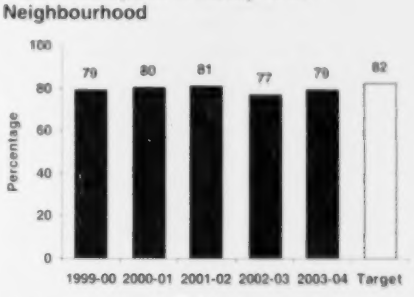

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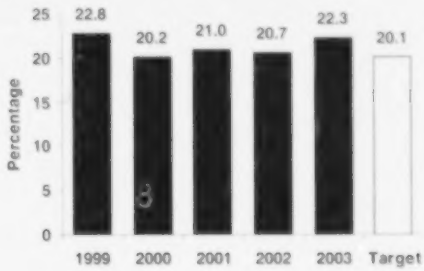
undertake inspections and monitor commercial vehicles, and has established a target that no more than 5% of inspected commercial vehicles will require the attention of a mechanic. In 2003-04, 4.0% of inspected commercial vehicles required the attention of a mechanic.

Proportion of drinking drivers in fatal collisions increased

Involvement of Drinking Drivers in Fatal Collisions



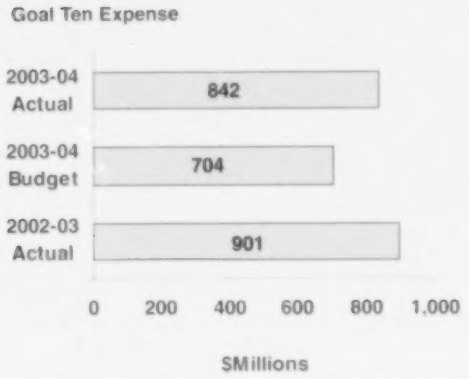
The percentage of drivers in fatal collisions in Alberta who were judged to have consumed alcohol before a collision stands at 22.3%, up from 20.7% in 2002 and above the target of 20.1%. However, Alberta's traffic volumes have increased by 10.1% from 1999 to 2003, and the number of licensed drivers increased by 8.8% since 1999.

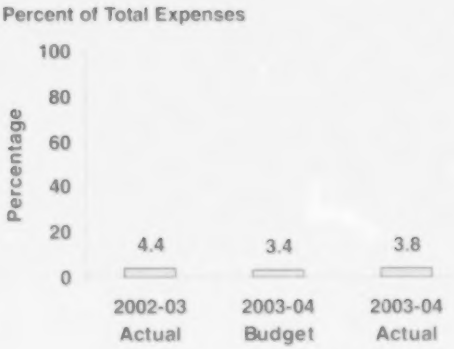
The Alberta government provides ongoing monitoring of roadways under its authority, including maintenance and upgrades to enhance the safety of all road users and provides ongoing education, legislative enhancements, and enforcement programs. The *Traffic Safety Act* came into force in 2003. It includes a new Graduated Driver Licensing program, new standards and safety policies for commercial vehicles and vehicle equipment, and updated traffic

GOAL TEN

10 Alberta will be a fair and safe place to work, live and raise families

PERFORMANCE RESULTS





This goal includes spending of the following ministries: Community Development, Finance, Government Services, Human Resources and Employment, Justice, Municipal Affairs, Revenue, Solicitor General, Sustainable Resource Development, and Transportation.

Measures	2003-04 Targets	Current Results	Previous Results
Workplace Lost-Time Claim Rate - Number of lost-time claims per 100 person-years worked.	2.5 or lower	2.9 (2003)	3.0 (2002)
Effectiveness of Human Rights Protection - Percentage of adult Albertans who feel human rights protection in Alberta is effective.	85%	84.8% (2003-04)	83.7% (2002-03)
Violent Crime Rate - Alberta's violent crime rate per 100,000 population.	Lowest of four western provinces	Lowest (2002)	Lowest (2001)
Property Crime Rate - Alberta's property crime rate per 100,000 population.	Lowest of four western provinces	Lowest (2002)	Lowest (2001)
Perception of Safety in the Neighbourhood - Percentage of Albertans who feel "somewhat comfortable" to "very comfortable" walking alone in their neighbourhoods at night.	82%	79% (2003-04)	77% (2002-03)
Work Stoppages - Percentage of collective bargaining agreements settled without a work stoppage.	98%	99.3% (2003-04)	93.2% (2002-03)
Involvement of Drinking Drivers in Fatal Collisions - Percentage of fatal collisions involving drinking drivers.	20.1%	22.3% (2003)	20.7% (2002)
Mechanical Safety of Commercial Vehicles - Percentage of inspected vehicles requiring the attention of a mechanic.	5.0%	4.0% (2003-04)	3.6% (2002-03)
Uniform Securities Act - Legislation for a *Uniform Securities Act* will be in place.	June 30, 2004	Canadian Securities Administration proposal for uniform securities legislation released December 2003	New

For more information, see the Measures Methodology and Data section.

GOAL ELEVEN

The high quality of Alberta's environment will be sustained

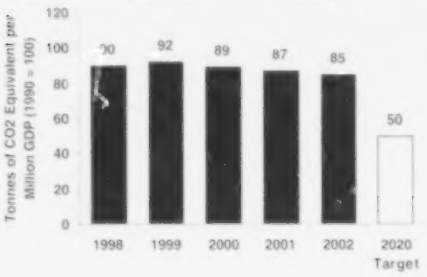
Performance Summary

In 2003-04, Alberta directed $164 million towards maintaining Alberta's environment. Alberta continued to enjoy a high quality environment. The quality of surface water and air remained high and there were further reductions in greenhouse gas emissions intensity. Alberta is implementing a new drinking water measure that includes water treatment plant design, operating requirements, and performance standards of regulated waterworks facilities. Progress is also being made in developing a prototype for a biodiversity monitoring program in Alberta. On the other hand, ongoing dry conditions in Alberta, and increasing human activities in the Forest Protection Area, are challenging the government's efforts to contain the number of human-caused wildfires in Alberta.

Discussion and Analysis

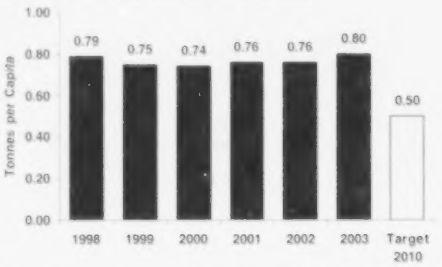
Greenhouse gas emissions intensity improved

Greenhouse Gas Emissions Intensity



Alberta's greenhouse gas emissions intensity continued to decline in 2002, and is down 2 index points compared to 2001. Much of the improvement is due to strong economic growth in low greenhouse gas emissions sectors with moderate economic growth in higher greenhouse gas emissions sectors. With 2002 emissions intensity at 15 index points below 1990 levels, Alberta is nearly a third of the way to the 2020 target. Additionally, the government continued to improve the energy efficiency of government buildings through the Energy Retrofit Program. Our long-term contracts for green power, which commence January 2005, will ensure that more than 90% of the electricity used in government-owned buildings will be from environmentally benign renewable sources.

Municipal Solid Waste to Landfills



Alberta strives to continually reduce the per capita amount of municipal solid waste disposed in landfills. However, the amount of municipal solid waste going into landfills in 2003 increased from 2002. This increase is attributed to Alberta's current robust economy. While many municipalities have had some success in reducing waste from the residential sector, landfills report increased tonnage from the industrial/commercial/institutional sector and the construction/renovation/demolition sector.

Surface water quality index lower

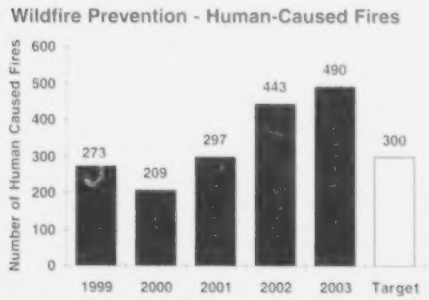
Five of the river systems continued to have "good" or "excellent" water quality, essentially meeting the target to maintain overall river water quality, with the exception of the Oldman River, which was rated as "fair", primarily due to increased seasonal runoff. In some cases, the 2002-03 Surface Water Quality Index scores for both upstream and downstream sites are lower than those for the previous year because of changes in local climatic conditions. More rain and snowmelt result in increased surface runoff and therefore increased movement of materials from the land to the water. In lower flow years, higher scores can be expected due to reduced

movement of materials, whether naturally occurring or as a result of human activity, from the land to the water.

Under the *Environmental Protection and Enhancement Act*, the government regulates waterworks facilities that provide drinking water to Albertans. The Drinking Water Quality Indicator is a new measure that assesses the ability of each waterworks facility to meet newest design standards, operational requirements and performance standards based on the health-related concentration limits for substances listed in the Guidelines for Canadian Drinking Water Quality. In 2003-04, benchmark data was used to determine that 69% of regulated facilities are operating under the newest (1997) design standards, to identify 20 incidents where facilities did not meet operational requirements and 31 incidents where facility performance standards were not met and resulted in a water quality parameter (chemical, physical or bacteriological) temporarily exceeding the acceptable limit. In these non-compliant instances, appropriate abatement or enforcement action was taken by Alberta Environment to ensure that facility operators took corrective action to prevent recurring incidents and consequent unsatisfactory drinking water.

In 2003, Alberta had good air quality levels 96% of the time, slightly below the 97% target. Air quality is influenced by a number of factors including forest fires, weather patterns, vehicle emissions, and intensity of industrial development.

Number of human-caused wildfires increased



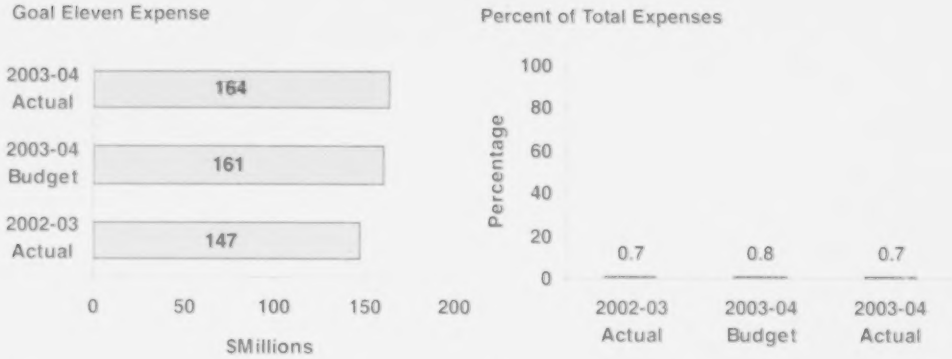
Ongoing dry conditions in Alberta, and increasing human activities in the Forest Protection Area, challenged the government's efforts to contain the number of wildfires in Alberta. In 2003, there were 490 human-caused wildfires, an increase of 47 over the previous year and 190 over the target of 300. Initiatives were implemented to remind Albertans to be careful when participating in recreational activities in Alberta's forests, and preparing communities to become "FireSmart". The FireSmart program provides Albertans with the information they need to mitigate the risks of wildfire, and protect themselves, their property and the forest from wildfire.

Progress is being made to develop and test a prototype for a biodiversity monitoring program in Alberta. The first phase of the Alberta Biodiversity Monitoring Program (ABMP) - a strategic partnership of government, research institutions, academia and industry - involved several years of detailed technical design for collecting data on biodiversity. The second phase, which began January 2003, involves developing a prototype of the ABMP.

GOAL ELEVEN

The high quality of Alberta's environment will be sustained

PERFORMANCE RESULTS



This goal includes spending of the following ministries: Energy, Environment, and Infrastructure.

Measures	2003-04 Targets	Current Results	Previous Results
Surface Water Quality Index - Index of four groups of water quality variables (metals, bacteria, nutrients and pesticides) tested monthly or quarterly at two locations for each of the province's six major river systems.	Bring river quality downstream of developed areas in line with upstream conditions, while maintaining overall river water quality.	5 of 6 river systems had "good" or "excellent" water quality; 4 of 6 river systems narrowed the gap between upstream and downstream conditions.	All 6 river systems had "good" or "excellent" water quality; 3 of 6 river systems narrowed the gap between upstream and downstream conditions.
Drinking Water Quality Indicator - The indicator includes water treatment plant design, operating requirements and performance standards to produce safe drinking water.	Maintenance of a safe supply of drinking water for the population served by the waterworks facilities approved by Alberta Environment.	Baseline data only	New
Greenhouse Gas Emissions Intensity Indicator - The indicator is an annual comparison of total annual greenhouse gas (GHG) emissions across Alberta to total provincial GDP since 1990.	Cut the greenhouse gas emissions intensity of the Alberta economy in half (50%) by 2020 relative to 1990 levels.	85% of 1990 levels (2002)	87% of 1990 levels (2001)
Air Quality Index - Index of outdoor concentrations of five major air pollutants monitored at nine stations across the province.	Maintain "good" air quality days equal to or greater than 97% of the time, with no "poor" days.	96% "good" air quality, no "poor" days.	96% "good" air quality, no "poor" days.
Biodiversity Monitoring System - Designing and testing a biodiversity monitoring system.	Biodiversity monitoring system designed and tested by 2006.	In progress.	New
Municipal Solid Waste to Landfills - Municipal solid waste disposal to landfills (tonnes per capita).	Reduce municipal solid waste disposal to landfills to 0.5 tonnes per capita by 2010.	0.80 tonnes (2003)	0.76 tonnes (2002)
Wildfire Prevention - Number of human-caused fires within Alberta's forest protection area.	Less than 300 fires	490 fires (2003)	443 fires (2002)

For more information, see the Measures Methodology and Data section.

GOAL TWELVE

Albertans will have the opportunity to participate in community and cultural activities and enjoy the province's historical resources and parks and protected areas

PERFORMANCE SUMMARY

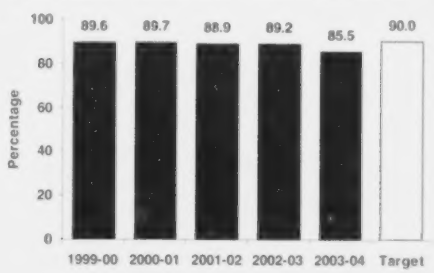
In 2003-04, Alberta directed $273 million towards recreation and culture. In 2003-04, nearly all visitors to provincially-owned historic sites, museums and interpretive centres were satisfied with their experiences and visitor satisfaction at Alberta's provincial parks and recreation areas was also very high. Adult Albertans' participation in sport and recreation, arts and cultural activities has remained consistently high over time; however, results are below target. The number of adult Albertans volunteering and the use of public libraries are also below target. Alberta experienced a significant increase in film production employment opportunities for Albertans through the government's support for the film industry in Alberta.

DISCUSSION AND ANALYSIS

Albertans enjoy a high quality of life owing, in part, to the opportunities to access the province's wealth of natural, historical and cultural resources. Protecting, preserving and presenting the province's historical resources and natural heritage through provincial historic sites, museums, interpretive centres, provincial parks and protected areas, and recreation areas advances the quality of life for Albertans by providing educational, scientific, recreational, environmental, cultural and economic benefits.

Adult participation in arts and cultural activities was below target

Participation in Arts and Cultural Activities



In 2003-04, 80.4% of adult Albertans participated in sport and recreation and 85.5% attended or participated in arts and cultural activities. While remaining consistently high over time, the 2003-04 results are below target. In 2003-04, 51.2% of adult Albertans used public library services, below the target of 54%. External influences such as lifestyle choices, an aging population, and the availability of Internet and home-based entertainment technologies may affect these results. The level of user fees may also influence Albertans' willingness to participate in sport, recreation and cultural events, and the use of public libraries.

Adult participation in sport and recreation activities was below target

In 2003-04, 97.7%, of visitors to provincial historic sites, museums and interpretive centres were satisfied overall with their experiences, essentially meeting the target of 98%. The focus and condition of exhibits and facilities influence the results. In 2003-04, 90.4% of visitors were satisfied overall with the services and facilities at Alberta's provincial parks and recreation areas. The age, condition and cleanliness of facilities, interactions with other visitors, programs offered, public awareness of facilities and services, and service provided by contractors and park staff influence visitors' overall satisfaction.

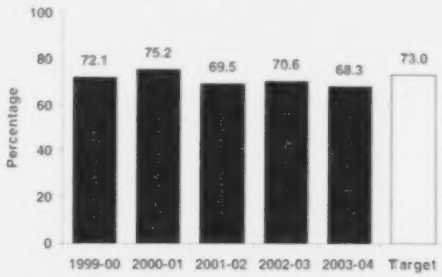
In 2003-04, in support of Alberta's natural and cultural heritage, sport and recreational activities, the Alberta government added 16,000 square feet to the Royal Tyrrell Museum of Palaeontology, opened the new Provincial Archives in Edmonton, and contributed $25 million to 35 community projects as part of the Centennial Legacies Grant Program.

GOAL TWELVE

Albertans will have the opportunity to participate in community and cultural activities and enjoy the province's historical resources and parks and protected areas

Volunteerism has remained around 70% over the last five years

Level of Community Volunteerism

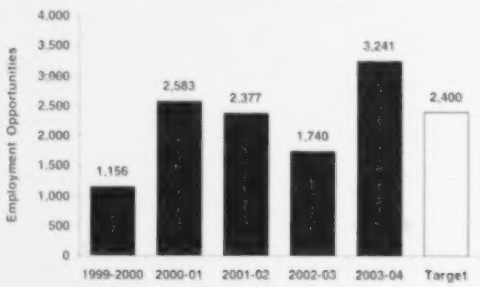


The Alberta government fosters and promotes volunteerism in communities throughout the province. The level of community volunteerism has remained around 70% over the last five years. In 2003-04, 68.3% of adult Albertans volunteered, below the target of 73%. Factors such as personal circumstances related to age and lifestyle and economic conditions influence the level of volunteerism.

Film production employment opportunities increased

Cultural activities also extend to film production. In 2003-04, the Alberta Film Development Program funding doubled to $10 million, supporting 3,241 film production employment opportunities for Albertans. This surpassed the target of 2,400 employment opportunities for Albertans.

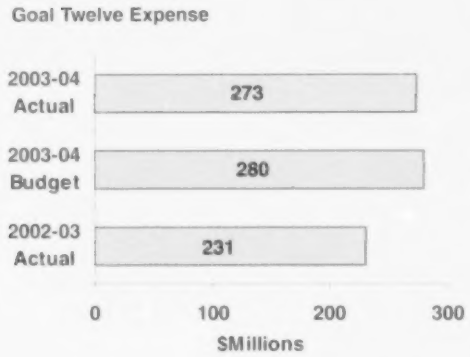
Film Production Employment Opportunities



GOAL TWELVE

Albertans will have the opportunity to participate in community and cultural activities and enjoy the province's historical resources and parks and protected areas

PERFORMANCE RESULTS



This goal includes spending of the following ministries: Community Development, Gaming and Infrastructure.

Measures	2003-04 Targets	Current Results	Previous Results
Level of Community Volunteerism - Percentage of adult Albertans who volunteer.	73%	68.3% (2003-04)	70.6% (2002-03)
Participation in Arts and Cultural Activities - Percentage of adult Albertans participating in arts and cultural activities.	90%	85.5% (2003-04)	89.2% (2002-03)
Film Production Employment Opportunities - Number of film production employment opportunities for Albertans as a result of support provided by the Alberta Film Development Program.	2,400	3,241 (2003-04)	1,740 (2002-03)
Sport and Recreation Participation - Percentage of adult Albertans participating in sport and recreational activities.	88%	80.4% (2003-04)	82.6% (2002-03)
Public Library Use - Percentage of adult Albertans who have used a public library in the past year.	54%	51.2% (2003-04)	52.8% (2002-03)
Visitor Satisfaction with Provincial Historic Sites, Museums and Interpretive Centres - Percentage of visitors satisfied with provincial historic sites, museums and interpretive centres.	98%	97.7% (2003-04)	97.9% (2002-03)

Note: The **Visitor Satisfaction with Provincial Parks and Recreation Areas** is not included in the table as a target has not been established.

For more information, see the Measures Methodology and Data section.

2003-04 Expense by Goal

(millions of dollars)

	Goals												Pension	
	One	Two	Three	Four	Five	Six	Seven	Eight	Nine	Ten	Eleven	Twelve	Provisions	Total
Legislative Assembly	-	-	-	-	-	-	-	-	56	-	-	-	-	56
Aboriginal Affairs and Northern Development	-	-	-	-	35	-	-	-	-	-	-	-	-	35
Agriculture, Food and Rural Development	-	-	-	-	-	-	1,500	-	-	-	-	-	-	1,500
Children's Services	-	-	699	-	-	-	-	-	-	-	-	-	-	699
Community Development	-	-	-	447	-	-	-	-	-	7	-	180	-	634
Economic Development	-	-	-	-	-	-	58	-	-	-	-	-	-	58
Energy	-	-	-	-	-	-	128	6	47	-	18	-	-	199
Environment	-	-	-	-	-	-	-	-	-	-	122	-	-	122
Executive Council	-	-	-	-	-	-	-	-	18	-	-	-	-	18
Finance	-	-	-	-	-	321	1	-	114	2	-	-	-	438
Gaming	-	-	-	-	-	-	64	-	-	-	-	80	-	144
Government Services	-	-	-	-	-	-	2	-	14	70	-	-	-	86
Health and Wellness	7,366	-	-	-	-	-	-	-	-	-	-	-	-	7,366
Human Resources and Employment	-	277	-	812	-	-	3	-	13	26	-	-	-	1,131
Infrastructure	218	596	-	6	-	-	-	214	358	-	24	13	-	1,429
Innovation and Science	-	-	-	-	-	-	134	-	52	-	-	-	-	186
International and Intergovernmental Relations	-	-	-	-	-	-	-	-	6	-	-	-	-	6
Justice	-	-	-	45	-	-	-	-	-	212	-	-	-	257
Learning	-	4,977	-	-	-	-	3	-	-	-	-	-	-	4,980
Municipal Affairs	-	-	-	-	-	90	13	-	27	9	-	-	-	139
Revenue	50	-	-	-	-	-	11	-	67	18	-	-	-	146
Seniors	-	-	-	402	-	-	-	-	-	-	-	-	-	402
Solicitor General	-	-	-	12	-	-	-	-	-	271	-	-	-	283
Sustainable Resource Development	-	-	-	-	-	-	126	-	-	198	-	-	-	324
Transportation	-	-	-	-	-	-	13	800	-	29	-	-	-	842
Total Program Expense	**7,634**	**5,850**	**699**	**1,724**	**35**	**411**	**2,056**	**1,020**	**772**	**842**	**164**	**273**	**-**	**21,480**
Debt Servicing Costs	-	-	-	-	-	-	-	-	271	-	-	-	-	271
Total Program and Debt Servicing Expense	**7,634**	**5,850**	**699**	**1,724**	**35**	**411**	**2,056**	**1,020**	**1,043**	**842**	**164**	**273**	**-**	**21,751**
Pension Provisions	-	-	-	-	-	-	-	-	-	-	-	-	132	132
Total Expense	**7,634**	**5,850**	**699**	**1,724**	**35**	**411**	**2,056**	**1,020**	**1,043**	**842**	**164**	**273**	**132**	**21,883**

Goal 1: Albertans will be healthy
Goal 2: Albertans will be well prepared for lifelong learning and work
Goal 3: Alberta's children will be supported in reaching their potential
Goal 4: Albertans will be self-reliant and those unable to provide for their basic needs will receive help
Goal 5: Aboriginal communities in Alberta will be effective and self-reliant
Goal 6: Alberta will have an effective, responsive and well-managed local government sector
Goal 7: Alberta will have a prosperous economy
Goal 8: Alberta will have effective and efficient transportation and utilities infrastructure
Goal 9: Alberta will have a financially stable, open and accountable government and a strong intergovernmental position in Canada
Goal 10: Alberta will be a fair and safe place to work, live and raise families
Goal 11: The high quality of Alberta's environment will be sustained
Goal 12: Albertans will have the opportunity to participate in community and cultural activities and enjoy the province's historical resources and parks and protected areas

Policy
Cross-Ministry Initiatives ...

Aboriginal Policy Initiative

In September 2000, *Strengthening Relationships: The Government of Alberta's Aboriginal Policy Framework* announced a vision in which "...strong, sustainable Aboriginal economies support self-reliant First Nations, Metis and other Aboriginal communities and people." The challenge to achieving this vision is overcoming existing social and economic disparities between Aboriginal people and other Albertans. While conditions are improving for Aboriginal people, complex and difficult issues must be addressed to achieve full participation of Aboriginal people in Alberta's economy and society.

To address this challenge, Alberta has adopted a Government Business Plan Goal and a priority policy cross-ministry initiative. The Aboriginal Policy Initiative (API) has facilitated the development of relationships between Alberta ministries and Aboriginal communities, organizations and service providers. One result of this government-wide focus has been improved provincial programming that meets the unique needs of Aboriginal communities. This includes introducing numerous Aboriginal-specific initiatives. Ongoing progress requires federal, provincial, municipal and Aboriginal governments and communities taking appropriate responsibility and action.

The champion ministries for the API are Aboriginal Affairs and Northern Development, Justice and Children's Services. Other partnering ministries in the API are Health and Wellness (with the Alberta Alcohol and Drug Abuse Commission and the Alberta Mental Health Board), Energy, Transportation, Human Resources and Employment, Learning, Environment, Sustainable Resource Development, Community Development, Solicitor General and Economic Development. Other Alberta Ministries are involved in addressing Aboriginal issues and participate in specific initiatives.

The four API objectives for 2003-04 are outlined below, with targets and results achieved for the year. Other noteworthy accomplishments that supported the API objectives during 2003-04 included:

- Initiation of mobile diabetes screening programs in off-reserve Aboriginal communities.
- Provision of emergency preparedness support to First Nations, including 28 training sessions and review of emergency management plans for 36 communities.
- Initiation of a cross-ministry Aboriginal Youth Suicide Prevention strategy under the Alberta Children and Youth Initiative (ACYI).
- Delivery of 33 new housing units to northern remote communities under the Sustainable Remote Housing program.
- Awarding of $300,000 in Aboriginal Health Careers bursaries to 84 Aboriginal students, an increase in both funding and number of recipients.
- Integration of Aboriginal historical, cultural and spiritual content into the revised Social Studies program for Grades K-12.
- Continued support for development of Aboriginal/industry partnerships (more than 60 partnerships exist across the province).
- Successful completion of the Aboriginal-specific Labour Force Survey pilot project in cooperation with Statistics Canada.
- Registration of over 70 Aboriginal apprentices through the Alberta Aboriginal Apprenticeship Project, a collaboration with industry and Aboriginal partners.
- Conclusion of the Blood Tribe Governance and Child Welfare Agreement-in-Principle, signed by the Blood Tribe, Canada and Alberta in October 2003.

Aboriginal Policy Initiative

PURPOSE: To improve the well-being and self-reliance of Aboriginal people and clarify federal, provincial and Aboriginal roles and responsibilities.

RELATED GOVERNMENT BUSINESS PLAN GOALS:

Goal 1 - Albertans will be healthy.
Goal 2 - Albertans will be well prepared for lifelong learning and work.
Goal 3 - Alberta's children will be supported in reaching their potential.
Goal 5 - Aboriginal communities in Alberta will be effective and self-reliant.

MINISTRY CHAMPIONS: Aboriginal Affairs and Northern Development, Justice and Children's Services.

OBJECTIVE: **Improve the health status and well-being of Aboriginal people.**

TARGETS	RESULTS
• Implement the approved recommendations of the Aboriginal Tobacco Use Strategy report.	• The recommendations were approved and an Aboriginal Guiding Circle has been established to oversee their implementation. • 25 Aboriginal tobacco prevention and cessation projects were supported across Alberta.
• Increase the number of ongoing community-based Aboriginal health projects by 25%.	• 13 new community-based Aboriginal health initiatives, representing a 34% increase, were approved and funded by the Aboriginal Health Strategy Project Fund.
• Increase the number of Aboriginal HIV projects by 20%.	• Six of 12 Alberta Community HIV Fund projects were targeted toward Aboriginal people, a 20% increase from last year.
• Expand mobile screening for diabetes-related complications to five (5) Metis Settlements.	• The Mobile Diabetes Screening Initiative (MDSI) was expanded to five Metis Settlements (Buffalo Lake, Kikino, Elizabeth, Fishing Lake and Peavine) in March 2004. • Initial screenings in the three remaining Settlements (East Prairie, Gift Lake, Paddle Prairie) are planned for April - June, 2004.
• Improve the identification of diabetes and reduce complications (blindness, amputations and renal failure) among Registered Indians.	• Work continues with health care partners to improve identification of diabetes, which improves treatment and reduces complications. • The province worked with the federal government to establish a process for updating estimates of diabetes incidence and prevalence. • Data on complications were re-evaluated. Data on blindness does not provide necessary linkages as a diabetes-related complication. • Incidence of diabetes-related complications is as follows:

	First Nations	General Population
Amputations	1.1%	0.3%
Renal Failure	2.0%	1.4%

Aboriginal Policy Initiative

TARGETS	RESULTS
• Hire five Aboriginal Liaison Officers to promote the principles of *FireSmart* and undertake fuel hazard assessment and reduction projects in 15 Aboriginal communities by 2004.	• This is a two-year project to work with Aboriginal communities to reduce forest fire hazards and improve Aboriginal participation in forest fire safety programs. • During the 2003 fire season (April - October), three of five Aboriginal Liaison Officer positions were filled and fuel hazard assessment and reduction projects were initiated in eight Aboriginal communities.

OBJECTIVE: **Support life-long learning opportunities for Aboriginal people and promote appreciation of Aboriginal cultures.**

TARGETS	RESULTS
• Increase the number of Aboriginal students attending selected post-secondary institutions by 2%.	• Final results are available for the 2000-01 and 2001-02 school years (September to August). • 24 post-secondary institutions reported Aboriginal student enrolments of 2,252 in 2000-01 and 3,617 in 2001-02. This is an increase of 1,365 Aboriginal students. • Data for the 2002-03 school year is incomplete: 15 institutions have reported 1,161 students enrolled (complete data available October 2004). • Differences in methodology between years and between institutions highlight the need for a province-wide system to identify Aboriginal students (see Aboriginal Learner Data Collection Initiative described below).
• Increase the percentage of Aboriginal students attending Alberta school jurisdictions achieving the Acceptable Standard on Grade 3, 6, and 9 Achievement Tests by 1%.	• Provincial Achievement Test results for tuition fee students (students with Registered Indian Status attending Alberta school jurisdictions under tuition agreements) indicate that 49.6% of Aboriginal students achieved the Acceptable Standard in 2002-03, a 1.8% improvement over the previous three-year moving average of 47.8% (for 1999-00 to 2001-02). • These results are based on a small sample of Aboriginal students and variations in test results from year to year may be partially due to small sample size. Results do not represent all Aboriginal students attending Alberta public schools.
• Complete Aboriginal community consultations to develop a voluntary declaration of Aboriginal ancestry on K-12 and post-secondary registrations.	• Aboriginal and education stakeholders were informed of the Aboriginal Learner Data Collection Initiative. • For the 2003-04 school year, some school jurisdictions added a voluntary Aboriginal self-identification question to public school registration forms. This will be a requirement at all public schools for the 2004-05 school year.

Aboriginal Policy Initiative

TARGETS	RESULTS
• Develop Aboriginal learning-teaching resources for Special education and Aboriginal Studies 10/20/30.	• Edmonton Catholic Schools is incorporating Aboriginal content and perspectives into special education resources. *Unlocking Potential: Key Components of Programming for Students with Learning Disabilities* will be complete by August 2004. • Aboriginal Studies 10/20/30 has been implemented in provincial schools. A list of authorized resources has been completed and is available to teachers. • The Aboriginal Studies 10/20/30 *Guide to Implementation* and three basic student resources will be complete by spring 2004.
• Collect final year of baseline data on appreciation of Aboriginal culture at select Alberta parks and cultural facilities.	• Visitors to two provincial parks were asked to rate the success of park interpretive programs in promoting appreciation of Aboriginal history and culture. Results (sample size 200) show "Excellent" or "Good" ratings of 99% for Writing-On-Stone and 61% for Cypress Hills. • Visitors to six provincially-owned heritage facilities (Father Lacombe Chapel, Victoria Settlement, Head-Smashed-In Buffalo Jump, Provincial Museum of Alberta, Fort George and Buckingham House, Historic Dunvegan) were asked to rate the understanding they gained about Aboriginal history and culture. Results (sample size 1,308) show "Excellent" or "Good" ratings ranging from 79-96%. • Survey data will be used to further promote the appreciation of Aboriginal culture and history at provincial parks, protected areas and cultural/historical facilities.
• Establish five new Aboriginal student crews as part of the current Junior Forest Ranger program by 2004.	• During the 2003 fire season (April - October), three Aboriginal student crews, each with 7-12 members, were established as part of a two-year initiative to encourage increased participation of Aboriginal youth in the provincial Junior Forest Ranger program.

OBJECTIVE: **Increase the participation by Aboriginal people in the Alberta economy.**

TARGETS	RESULTS
• In partnership with the private sector and Aboriginal organizations, develop 10 new First Nations and/or Metis training to employment projects to prepare 150 Aboriginal people for participation in the Alberta economy.	• 18 projects were approved under the *First Nations Training to Employment Program*, involving 185 First Nations and Metis trainees. • These results do not include projects approved prior to April 1, 2003 that involved some training during 2003-04.

Aboriginal Policy Initiative

TARGETS	RESULTS
• Establish a benchmark data profile from the Aboriginal-specific Statistics Canada-Alberta Labour Force Survey Pilot Project.	• The pilot project was the first of its kind in Canada, with 1,250 Aboriginal households added to the monthly Labour Force Survey sample. Monthly labour force activity profiles, by gender and component group (North American Indian and Metis), have been available since May 2003.
• Initiate 3 additional capacity-building pilot projects with Aboriginal communities and other partners.	• Five new capacity-building pilot projects were initiated: an Information Communication Technology (ICT) Forum with the Lesser Slave Lake Indian Regional Council; a Governance Modernization Initiative with the Metis Nation of Alberta Association (MNAA); an Economic Capacity project with the Paul First Nation; an Economic Capacity Building Project with the MNAA Zone 3 (South); and an Economic Capacity Building Project with the MNAA Zone 6 (Northwest).
• Initiate pilots for the Youth Apprenticeship Learning Opportunities Project (YAP) in three communities by March 2004.	• Local Advisory Committees have been established in the communities of Wabasca/Desmarais, Lac La Biche and High Prairie to determine priorities and develop strategies to promote YAP.

OBJECTIVE: Clarify federal/provincial/Aboriginal roles and responsibilities.

TARGETS	RESULTS
• Initiate planning activities with 42 First Nations communities identified as potential SuperNet communities.	• Initial discussions were held with all 42 First Nations communities with provincial learning institutions or health facilities.
• SuperNet implementation in all communities requesting service and scheduled for implementation in 2003-04.	• SuperNet construction is underway province-wide. • Construction on First Nations lands will commence once appropriate approvals have been obtained. • The province worked with the federal government to streamline permit processes and with First Nations to obtain appropriate Band Council Resolutions.
• Develop principles for an Aboriginal Policy Checklist to review existing/future policies to ensure they address needs, legal requirements and Aboriginal agreements. Checklist to be developed for implementation in selected ministries in 2005.	• 11 provincial ministries collaborated to oversee development of draft Aboriginal Policy Checklist which was reviewed by deputy ministers in November 2003 and will be tested in selected ministries in 2004-05.
• Develop a pilot project to define the respective accountabilities between Alberta Children's Services, Indian and Northern Affairs Canada (Alberta Region) and Delegated First Nations Agencies regarding First Nations Child Welfare Agreements.	• Alberta ministries, the federal government and First Nation communities worked together to re-negotiate three tripartite Child Welfare Agreements, introduce a Task Force on control and accountability for First Nations recoveries processes, and review the *Arrangement for the Funding and Administration of the Social Services Agreement* (Administrative Reform Agreement) between Alberta and Canada.

PRIORITY POLICY INITIATIVE

Alberta Children and Youth Initiative

Alberta has the youngest population of all the provinces, with nearly 841,000 children and youth 19 years old and younger - representing almost 30% of the total population.

Children and youth who are healthy, well cared for, and educated, grow up to be active community-minded and contributing adults. The services needed to effectively support children and youth are varied and are provided by multiple ministries, authorities, and community organizations. Meeting the needs of Alberta's children and youth requires an integrated effort by all these partners.

2003-04 marks the fifth year of the Alberta Children and Youth Initiative (ACYI), a collaborative partnership of government ministries working together on issues affecting children and youth. Its vision ensures that Alberta's children will be supported in reaching their potential (Goal 3: *2003-06 Government of Alberta Business Plan*). In addition to Goal 3, the ACYI contributes to the following Alberta Government business plan goals:

- Goal 1: Albertans will be healthy.
- Goal 2: Albertans will be well prepared for lifelong learning and work.
- Goal 10: Alberta will be a fair and safe place to work, live and raise families.

In addition to the ministry champions of Children's Services, Learning, and Health and Wellness (together with Alberta Alcohol and Drug Abuse Commission and the Alberta Mental Health Board), partnering ministries include Aboriginal Affairs and Northern Development, Community Development, Human Resources and Employment, Justice and Attorney General, and Solicitor General.

The ACYI has consistently been a priority cross-ministry initiative since its introduction in 1998. The following indicators of success demonstrate the difference ACYI partners are making and will continue to make through our collaborative efforts:

- Children are born healthy.
- Children are ready to learn when they start school.
- Children and youth practice healthy behaviours.
- Children and youth succeed in school.
- Youth are successful in the transition to adulthood.
- Parents are provided with resources to meet the needs of their children.
- Children and youth are safe and free from abuse or neglect.
- Aboriginal children and youth receive supports that are responsive to their cultural needs.

Based on key issues identified by families, communities, regional authorities and partnering ministries, the ACYI focused on four priorities in 2003-2004:

- Supports and Services for Children and Youth with Special and Complex Needs.
- Support for the Healthy Development of Youth to Transition into Strong, Self-Reliant Adults.
- Promote Early Childhood Development Initiatives to Ensure Children Have a Healthy Start in Life.
- Support Regions in Integrating and Enhancing Service Delivery for Children, Youth and Families.

The following page provides details on the four priority areas that ACYI partnering ministries collaboratively worked on during 2003-04, along with the targets set and the results achieved. In addition to these priority areas, ACYI ministries continue to coordinate and support several key partnership initiatives, including Fetal Alcohol Spectrum Disorder, Children's Mental Health, Protection of Children Involved in Prostitution, Student Health Initiative and Early Childhood Development.

Alberta Children and Youth Initiative

PURPOSE: Support the healthy development of Alberta's children and youth through the joint efforts of provincial government ministries, local boards and authorities, families and communities.

RELATED GOVERNMENT BUSINESS PLAN GOALS:

Goal 1 - Albertans will be healthy.
Goal 2 - Albertans will be well prepared for lifelong learning and work.
Goal 3 - Alberta's children will be supported in reaching their potential.
Goal 10 - Alberta will be a fair and safe place to work, live and raise families.

MINISTRY CHAMPIONS: Children's Services, Learning, Health and Wellness

OBJECTIVE: **Families with children and youth with special and complex needs (developmental disabilities, physical and sensory disabilities, health conditions and/or emotional/behavioural disabilities) will benefit from a coordinated cross-ministry approach to providing services.**

TARGETS	RESULTS
• Integrated case management model for children and youth with complex needs implemented in 100% of regions.	• Integrated case management model for children and youth with complex needs implemented in 100% of regions. Province-wide orientation sessions held with child and family services authorities, school authorities, regional health authorities, Persons with Developmental Disabilities boards, and other key partners to formalize processes of establishing regional integrated case management teams in each of the province's regions.
• Cross-sector information sharing training delivered in 100% of regions.	• Cross-sector information sharing training provided in 100% of regions, including training to nearly 300 delivery staff and 300 stakeholders, to enable appropriate sharing of information across regional authorities and to support effective case planning for children and youth.
• Implementation plan for the Children's Mental Health Policy Framework developed by January 2004 and included in relevant provincial plans by April 2004.	• Children's Mental Health Policy Framework implementation plan developed within the Provincial Mental Health Plan. Development of the Provincial Mental Health Plan included presentations and clinical submissions regarding specific client populations to identify issues and best practices for high risk or special needs populations, including children and youth.

Alberta Children and Youth Initiative

OBJECTIVE: **Youth are supported and assisted in making a successful transition to adulthood.**

TARGETS	RESULTS
• Implement approved policy changes to support an integrated approach to services for youth.	• Three key policy changes implemented based on Youth in Transition Framework: - Advancing Futures Youth Bursary Program implemented in November 2003 for children in care or formerly in care of child welfare. - Transition planning tool developed by partnering ministries, youth and youth-serving ministries to assist front-line staff in developing transition plans for youth. - Policy developed to ensure all youth involved in the child welfare system have a transition plan for independence under the new *Child, Youth and Family Enhancement Act*.
• Increase diversity of mentoring options for high-risk youth by 15%.	• Diversity of mentoring options for high-risk youth increased by 28%. In addition to existing mentoring models that support high-risk youth such as youth in care, young offenders, and youth dealing with substance use/abuse issues, new mentoring models were developed to support Aboriginal youth and provide mentoring opportunities for youth in group settings.
• Phased implementation of the *Aboriginal Youth Suicide Prevention Strategy*.	• Phase One of the Aboriginal Youth Suicide Prevention Strategy included: - Implementation of four Aboriginal mentoring program pilots in south, central, and northern locations. Two mentoring pilot programs delivered from First Nations communities, one from a private Aboriginal youth serving agency, and one from a Metis Nation of Alberta office. - Partnership established with Health Canada, First Nations and Inuit Health Branch, to support implementation of the Strategy, including development of an integrated plan and resources. - Engagement of Aboriginal communities in identifying community strengths and building their capacity to prevent youth suicide.

Alberta Children and Youth Initiative

OBJECTIVE: **Promote the optimal development of children by ensuring a healthy start in life.**

TARGETS	RESULTS
• Maintain or improve percentage of Alberta children demonstrating healthy social and emotional development in relation to national average.	• Alberta children rank above the national average in demonstrating healthy social and emotional development: - 85.9% of Alberta children demonstrate healthy social development. This exceeds the national average of 84%. - 85% of Alberta children demonstrate healthy emotional development. This exceeds the national average of 82.2%.
• Maintain or improve percentage of Alberta families using positive parenting skills in relation to national average.	• 88.4% of Alberta families use positive parenting skills. This exceeds the national average of 83.9%.
• Increase Early Childhood Development (ECD) initiatives for Aboriginal children by 50% to promote healthy birth outcomes and positive parenting skills.	• In 2003-04, ECD initiatives for Aboriginal children were increased by 64% from the 11 new programs implemented in 2002-03.

OBJECTIVE: **Regional authorities increase their capacity to collaboratively plan and deliver services that promote the well-being of children, youth and families.**

TARGETS	RESULTS
• Increased supports that enhance integrated service delivery for children and youth will be reported by 85% of regions.	• 85% of regions report increased supports that enhance integrated service delivery for children and youth.

PRIORITY POLICY INITIATIVE

Economic Development Strategy

In 2003, Alberta's economy was one of the strongest in North America, despite a variety of events ranging from SARS, BSE, forest fires, the rising Canadian dollar, and global instability. Given Alberta's positive business environment and strong fiscal situation, the province is well on the way to becoming one of the most prosperous and best places to live, and do business, in all of North America.

In order to fully realize this potential, and to sustain this level of performance, there are key economic challenges that Alberta will need to address. These include:

- Ensuring the availability of skilled workers;
- Strengthening innovation and technology commercialization;
- Encouraging increased value-added production; and
- Expanding regional economic development to ensure the Alberta advantage extends to all communities and citizens in the province.

Recognizing the collaborative approach required to maximize the Alberta Advantage, Alberta's Economic Development Strategy, *Get Ready Alberta*, was first named a priority cross-ministry initiative in Budget 2000-01. The first year's focus was to ensure that the strategy was in use across all ministries. Alberta's Economic Development Strategy has been named a priority cross-ministry initiative every year since.

The initiative has evolved to capture specific pressing issues requiring a cross-ministry, cross economic and social approach such as regional collaboration, labour force development, and a more strategic, value-added approach to economic development. In recognizing the province's current strengths, anticipating changes and identifying broad strategic directions to capitalize on future opportunities, the strategy provides a framework to inform business-planning activities from a broader more integrated perspective. It strongly supports Goal 7 of the *Government of Alberta Business Plan 2003-06*.

Significant progress continues to be made on each of the objectives through significant teamwork and collaboration across ministries. The addition of Agriculture, Food and Rural Development as a co-champion has added strength to the further development of rural and regional economic development strategies.

The objectives were established for the Economic Development Strategy for 2003-04:

- Continue to implement Alberta's economic strategy as consistent with the vision set out in *Today's Advantage, Tomorrow's Promise*.
- Develop and implement a value-added strategy to achieve a broadly-based, versatile economy.
- Develop and implement a Rural Development Initiative that takes a collaborative approach to rural capacity building.
- Ensure a sufficient supply of human capital to meet Alberta's economic growth.
- Over the next year, develop a strategic framework that integrates the themes outlined in *Today's Advantage, Tomorrow's Promise*.

Economic Development Strategy

PURPOSE: A future of opportunity in a province that's unmatched through ministries working together with business, industry, communities, other governments and public institutions, employees and other stakeholders.

RELATED GOVERNMENT BUSINESS PLAN GOALS:

Goal 2 - Albertans will be prepared for lifelong learning and work.
Goal 7 - Alberta will have a prosperous economy.
Goal 8 - Alberta will have effective and efficient transportation and utilities infrastructure.
Goal 10 - Alberta will be a fair and safe place to work, live, and raise families.

MINISTRY CHAMPIONS: Economic Development; Human Resources and Employment; Learning; and Agriculture, Food & Rural Development

OBJECTIVE: **Continue to implement Alberta's economic strategy as consistent with the vision set out in *Today's Advantage, Tomorrow's Promise*.**

TARGETS	RESULTS
Unleashing Innovation	
• Alberta SuperNet will be available to 356 communities and 2,522 schools, hospitals, libraries and provincial buildings (this represents 84% of communities and 54% of public buildings targeted over the three-year construction period).	• Significant progress was made and the project is expected to be completed and the target met in 2004-05.
• Increase the amount of investment in sponsored research at Alberta universities to $460 million.	• It is expected the result will be achieved. Results reflect the impact of increased provincial investments to build research excellence by investing in people, facilities and equipment.
Leading in Learning	
• 32% of Albertans aged 25+ participate in education and training.	• For Albertans aged 25+, the participation rate was 28% in 2003-04.
• 38% of Grade 12 students have credit in a second language course during high school.	• Significant progress was made and the target is projected to be met in the next fiscal year. Although not a required part of the curriculum, in 2003, 37% of grade 12 students have credit in a second language.
• 85% of participants in training and employment programs indicate they obtained an improved skill level.	• Results exceed the target with 87% of participants surveyed indicating an improved skill level.
Global Competitiveness	
• 45,000 net new jobs in 2003.	• The results significantly exceed the target with 47,900 jobs created in 2003, 79% of which were full-time.
• Accumulated debt (less cash set aside for future debt repayments): $4.8 billion.	• The results significantly exceed the target. In 2003-04, the accumulated debt had been reduced to $3.7 billion.

Economic Development Strategy

TARGETS	RESULTS
• 81% of the North-South Trade Corridor (BC border west of Grande Prairie to Coutts) is open to four-lane traffic.	• The target is achieved. 83.5% of the North-South Trade Corridor is now open to four-lane traffic.
Quality of Life	
• % of Albertans rating their health status as excellent or very good continues to exceed the national average.	• The results exceed the target. Albertans continue to rate their health above the national average.
• Alberta's lost-time claim rate (number of lost-time claims per 100 person-years worked) 2.5 or lower.	• Significant progress was made towards the target of 2.5 or lower. Since the start of the Work Safe Alberta initiative, the provincial lost-time claim rate has dropped from 3.4 injuries per hundred person years in 2000 to its current low of 2.8 (preliminary data) in 2003.
• Alberta's violent and property crime rates to be ranked the lowest of the 4 western provinces.	• The target is achieved. Alberta's violent and property crime rate remains lowest of the western provinces.

OBJECTIVE: **Develop and implement a value-added strategy to achieve a broadly based, versatile economy.**

TARGETS	RESULTS
• Grow employment in the information and communications technology industry (ICT) by 5,000 new jobs.	• Significant work is required to achieve the target which is influenced by external factors. The initial result reflects a continuing slowdown in the ICT industry globally.
• Value-added international exports: $23 billion.	• The total value of value-added international exports declined by an estimated 5.9% in 2003, primarily due to: more than a 20% drop in processed food exports, due to BSE; a 20% drop in computer and electronic products; a significant decline in forest products, due to lower prices for pulp and paper and export restrictions on lumber; and the strong Canadian dollar. The downturn in these sectors demonstrates the need to pursue the implementation of the value-added strategy to further diversify Alberta's economy.
• Tourism revenues: $5.22 billion.	• External factors such as SARS, BSE, forest fires, global security and a strong Canadian dollar all contributed to lower tourism visitation and revenues. Estimates show that tourism revenues reached $5.0 billion in 2003.
• Value-added GDP growth by sector.	• Target to be determined.
• Labor productivity growth by sector.	• Target to be determined.

Economic Development Strategy

OBJECTIVE: **Develop and implement a Rural Development Initiative that takes a collaborative approach to rural capacity building.**

TARGETS	RESULTS
Regional Economic Development	
• 2.5 million people included in Regional Economic Development Alliances and Partnerships.	• The results significantly exceed the target. 17 regional alliances are now established and supported, which represent over 2.8 million people, or 90% of the population of the province.
• 9 provincial ministries collaborate on a Pilot Project with the Central Alberta Economic Development Partnership.	• Ten ministries participated in the pilot project to support the priorities of the Central Alberta Economic Development Partnership.
• 76% of users are satisfied with information and advice received from the Regional Partnership Initiative of Alberta Municipal Affairs and Alberta Economic Development's Regional Development Branch.	• The results significantly exceed the target. Two separate surveys were undertaken; Municipal Affairs' results are 88% satisfaction and Economic Development's initial results are 85% satisfaction.
Rural Development Initiative	
• Complete an inventory and Strengths Weaknesses Oportunities and Threats (SWOT) analysis of current health and education facilities and services available in rural Alberta.	• The inventory and analysis were completed.
• Conduct an opportunity analysis of rural and remote communities served by the SuperNet to assess possible service delivery models for "last mile" connectivity, and to identify rural SuperNet applications.	• This work is under development. Last mile connectivity will be fully addressed within the 395 rural communities served by SuperNet.
• Strategy will be developed for the 2004-07 Ministry business plans.	• Strategies related to the Rural Development Initiative have been identified and incorporated into the 2004-07 business plans of several provincial government ministries.

Economic Development Strategy

OBJECTIVE: A sufficient supply of human capital to meet Alberta's economic growth.

TARGETS	RESULTS
• 90%+ of Albertans aged 25-34 have completed high school.	• Significant progress has been made and the target is projected to be met in the next fiscal year. 89% of Albertans in this age category have completed high school in 2003.
• 60% of Albertans aged 25-34 have a post-secondary education.	• Significant progress has been made and the target is projected to be met in the next fiscal year. Since 1999, educational attainment has increased from 55% to 57% in 2003.
• 87% of employers are satisfied with the skills of post-secondary graduates.	• In 2003-04, 89% of employers were satisfied with the skills of post-secondary graduates.
• The number of occupations with an unemployment rate of less than 3% is 20.	• Significant progress has been made but achievement of the target is impacted by Alberta's strong economy. In 2003, 21 of 53 occupational classifications had an unemployment rate of less than 3%.
• Employer agreement that the learning system provides an adequate supply of graduates.	• No target was set as this was a new measure for 2003-04. A baseline result of 72% was obtained in Learning's 2003-04 employer survey.
• The annual net population inflow to Alberta is 33,000.	• Significant work is required to achieve the target as net in-migration to Alberta is estimated at 20,500 for 2003.
• The labour force participation rate remains the highest among all provinces in Canada.	• The results significantly exceed the target. Alberta's labour force participation rate of 73% remained the highest of all Canadian provinces in 2003-04.
• Increase economic immigrant stream as proportion of overall immigration to 58%.	• The target is projected to be achieved based on preliminary 2003 data.

OBJECTIVE: **Over the next year, develop a Strategic Framework that integrates the People, Prosperity and Preservation themes as outlined in *Today's Advantage, Tomorrow's Promise*.**

TARGETS	RESULTS
• Develop a strategic framework that integrates the People, Prosperity and Preservation themes as outlined in *Today's Advantage, Tomorrow's Promise*.	• All ministries have contributed to the development of the *Government of Alberta Strategic Business Plan*, which identifies the strategies to achieve the vision outlined in *Today's Advantage, Tomorrow's Promise*.

Health Sustainability Initiative

In March 2002, government announced the Health Sustainability Initiative as one of four priority cross-ministry initiatives. The Health Sustainability Initiative focuses collaborative effort and resources on strategic policy options and initiatives that will reduce the rate of health expenditure growth and result in a healthier population.

Alberta's health care system is facing many pressures including growing rates of chronic disease, an increasing and aging population, increasing labour costs, infrastructure pressures and escalating costs for new drugs and technologies.

Annually, health consumes an increasing portion of provincial government expenditures. In 1995-96, the spending on health including infrastructure was $3.77 billion; in 2003-04 the combined spending on health was $7.65 billion. For 2004-05, the budget target including infrastructure is almost $8.41 billion. The rates of growth of the cost drivers, and the subsequent pressures on health care spending, are not sustainable.

The Premier's Advisory Council on Health provided government with a blueprint for reform. Subsequent reports, frameworks and strategies have been developed and implemented to bring the blueprint to life. Targets in the Health Sustainability Initiative focus on implementing key recommendations.

For greatest impact, the cross-ministry Health Sustainability Initiative 2003-04 focused efforts on:

- staying healthier;
- shifting health services from facility-based to community-based settings;
- health and access issues for low-income Albertans; and
- containing the cost of pharmaceuticals.

To illustrate the magnitude of potential costs and the reasons why these were selected as priorities to address health system sustainability:

- **Staying healthier**. Many chronic diseases and injuries are preventable. When they occur, better management of chronic diseases can also reduce progression to more serious illnesses. For example, the annual cost of diabetes to Albertans is in the range of $262 million. About 90% of diabetes is type 2, which is preventable. The annual cost of all injuries in Alberta including productivity loss is approximately $1.8 billion.
- **Shifting health services from facility-based to community-based settings**. The Broda report was influential in recommending a shift - in support of both quality of life and health system sustainability - which would allow more Alberta seniors the option of living in their communities with appropriate health supports rather than in long-term care facilities. Strategies to facilitate the shift included: increasing long-term care accommodation fees, which had not kept pace with inflation; and increasing supportive living options to allow more seniors to remain in community settings.
- **Health and access issues for low-income Albertans**. Data shows a strong correlation between income level, health status and use of health services.
- **Containing the cost of pharmaceuticals**. Pharmaceuticals are the fastest growing cost in the health system. Prescription drug expenditures have grown from $207.5 million in 1998-99 to $395.6 million for fiscal year 2002-03. Over the past 5 years, the cost of drug benefit programs has been increasing at an average annual rate of 17.5%.

In 2003-04, the Health Sustainability Initiative partnership contributed to great progress, and many lessons learned, on these challenges. A solid foundation is in place to further explore options for sustainability in 2004-05. Ten ministries and related government agencies form the core team of the Health Sustainability Initiative.

Health Sustainability Initiative

PURPOSE: To enhance the sustainability of the health care system now and in the future by strengthening collaboration and coordination across ministries.

RELATED GOVERNMENT BUSINESS PLAN GOALS:

Goal 1 - Albertans will be healthy.

Goal 4 - Albertans will be self-reliant and those unable to provide for their basic needs will receive help.

MINISTRY CHAMPIONS: Health and Wellness, Seniors, Finance.

OBJECTIVE: **Optimize Albertans' health by working collaboratively to address factors that influence health.**

TARGETS	RESULTS
Framework for a Healthy Alberta	
• To have a long term impact on injury and chronic disease prevention in areas such as heart disease, diabetes and cancer: 90% of Regional Health Authorities (RHAs) will implement strategies to increase health promoting behaviours related to increased physical activity, improved eating practices and injury prevention for children, seniors and the population at large.	• The Framework for a Healthy Alberta, which sets out the long-term plan to reduce chronic disease and injury in Alberta, was approved in October 2003. All RHAs are implementing strategies to increase health-promoting behaviour. A coordinating committee will monitor and evaluate implementation.
Alberta Diabetes Strategy	
• Increase the number of diabetics who have access to diabetes monitoring supplies, from 10,000 to 40,000.	• In support of the Alberta Diabetes Strategy, the Enhanced Alberta Monitoring for Health Program was introduced in November 2003, to provide financial assistance to low-income Albertans with no private insurance, to improve management of their condition. As a result, 40,000 diabetics are eligible for funding for diabetes monitoring supplies.
Young Family Wellness Initiative	
• Increase the number of parents with newborns provided with education/counseling support in the areas of breastfeeding, postpartum depression and their infant's health and development by 5%.	• The Young Family Wellness Initiative was developed and implemented. Results have exceeded the target, although calculating the exact province-wide percentage increase continues. RHAs have added more than 100 staff and collaborated with community agencies providing a wide range of new services for expectant parents and families with children. The second annual report, profiling Alberta's collaboration on Early Childhood Development Initiatives, was released in December 2003.

Health Sustainability Initiative

TARGETS	RESULTS
Reduction in Alcohol Use During Pregnancy	
• Reduce prevalence of alcohol use during pregnancy among Alberta women from 4% to 3.8%.	• Data for the full fiscal year of 2003-04 is not yet available. Recognizing that Fetal Alcohol Spectrum Disorders are preventable, the government of Alberta is committed to reducing alcohol use during pregnancy. As a result, more at-risk women received direct enhanced treatment services and many health providers learned more about prevention and enhancing community services. A recent survey of physicians reported a higher percentage asking about alcohol use during pregnancy and using standardized resources for pregnant women.
Tobacco Reduction Strategy	
• Implement a strategy to reduce tobacco use during pregnancy among Alberta women.	• Regional Health Authorities are implementing strategies to target women at high risk. Six RHAs have been funded to research issues related to smoking during pregnancy. Numerous other resources were developed and provided, such as smoking cessation community services, counseling protocols and support for local initiatives.
• Reduce prevalence of smoking among Alberta youth from 17.9% to 16%.	• Data is unavailable until July 2004. Target is projected to be achieved through the implementation of the following initiatives. The *Prevention of Youth Tobacco Use Act* was proclaimed on April 1, 2003, prohibiting the possession and use of tobacco products by minors and imposing a $100 fine for tobacco possession by minors. In 2004-05, tobacco reduction programs for youth, such as The Building Leadership for Action in School Today (BLAST) Program and Youth Advisory and Action Project (YAAP) will be integrated to ensure access for Alberta youth of all ages.
Seniors Immunization	
• Increase the percentage of seniors (65+) immunized for influenza from 67.6 to 69%.	• Data for 2003-04 is not yet available. However, in 2002-03, 1,962 more seniors were immunized than the year before.

OBJECTIVE: **Expand opportunities to facilitate "aging in place."**

TARGETS	RESULTS
Community-based Services	
• Reduce the gap between charges and services for facility-based long-term care and community living by 50%.	• In summer 2003, Government approved an accommodation fee increase for long-term care accommodation from $30 to $42 per day for semi-private rooms, eliminating the gap in housing expenses between long-term care facilities and supportive living. To help low-income seniors manage the change, income support was increased through the Alberta Seniors Benefit program.
• Based on assessed needs, decrease the ratio of persons over age 75 in long-term care beds, compared with Alberta's population over 75, from 80.7 per 1,000 (2001-02) to 78 per 1,000 (2003-04).	• The target has been surpassed. Approximately 73 per thousand Alberta seniors have remained in community settings, in part due to efforts of regional health authorities to increase supportive living options as an alternative to long-term care.

OBJECTIVE: **Improve access to appropriate care and facilitate cost effective use of health services by low-income Albertans.**

TARGETS	RESULTS
• Develop baseline data on utilization by low-income Albertans of selected preventative procedures. • Identify barriers to appropriate use of health services by low-income Albertans. • Develop cross-ministry approach to ensuring that low-income Albertans have access to appropriate health services, resulting in more cost effective use of services. • Increase enrollment in the Alberta Child Health Benefit program from the 2002-03 target of 69,000 to 76,000 in 2003-04.	• Baseline data was analyzed, relevant literature was reviewed, and barriers were identified illuminating the relationship between income, health status and use of the health system in Alberta. A cross-ministry approach was recommended, and where possible, actions will be incorporated into existing strategies. Options to increase enrollment in the Alberta Child Health Benefit were identified but the one with the greatest potential would require semi-automatic enrollment and increased program funding.

OBJECTIVE: **Improve cost effective utilization of pharmaceuticals.**

TARGETS	RESULTS
• Establish baseline data regarding the number and type of aggressive acute interventions for diabetes and chronic obstructive pulmonary disease.	• Baseline data on number and type on interventions for diabetes and chronic obstructive pulmonary disease was collected.
• Reduce rate of growth in cost of government drug programs to 4%.	• Managing the growth of expenditures on pharmaceuticals is a great challenge, and reducing the growth rate from 17.5% to 4% was included as a stretch target. A number of strategies have been developed to reduce the growth of pharmaceutical expenditures, but have not yet been accepted. Current cost-containment policies are focused on pharmaceutical companies, wholesalers, consumers and health care professionals. Analysis and implementation of potential policy levers in Alberta and in national strategies continue.

Measures Methodology and Data
Goals 1 to 12

Goal One

LIFE EXPECTANCY AT BIRTH

Life expectancy is a universally recognized indicator of the health of a population. This measure ranks male and female life expectancies of Albertans with nine other countries.

Female

Rank	Country	2002 (years)
1	Japan	85.3
2	France	83.5
3	Switzerland	83.3
4	Australia	83.0
5	Spain	83.0
6	Sweden	82.6
7	Italy	82.5
8	Canada	82.3
9	Austria	82.2
10	Alberta	82.0

Male

Rank	Country	2002 (years)
1	Japan	78.4
2	Sweden	78.0
3	Australia	77.9
4	Switzerland	77.7
5	Alberta	77.4
6	Singapore	77.4
7	Israel	77.3
8	Canada	77.2
9	Italy	76.8
10	New Zealand	76.6

Source: World Health Report 2003 - international data
Alberta Health and Wellness - Alberta data (2002)

The 95% confidence interval for Alberta life expectancy estimates is about +/- 0.3 years. Life expectancy at birth is an estimate of the number of years that a person born in that year will live, based upon current mortality statistics. Countries with a population equal to or greater than a million were selected. Life expectancy estimates for smaller populations tend to be less reliable.

HIGH BIRTH WEIGHT - FIRST NATIONS

High birth weight is a probable risk factor for diabetes which is more prevalent in the First Nations population. This is a measure of the percentage of newborns identified in the high birth weight category.

	First Nations Births	All Births
1998-99	3.7%	1.7%
1999-00	4.5%	2.0%
2000-01	3.9%	2.2%
2001-02	4.3%	2.1%
2002-03	4.7%	1.9%

Source: Alberta Health and Wellness, Hospital Morbidity File - hospital births
Alberta Health and Wellness, population registry - First Nations status
Note: Prior year figures have been restated due to exclusion of out-of-province births.

Data are collected through the Hospital Morbidity file, which includes details for each individual stay in hospital in Alberta. About 99% of all births in Alberta occur in hospital. A record is created for each newborn, which includes a unique lifetime identifier (ULI), birth weight, and other information. First Nations status of the newborn is determined by matching the ULI for the newborn with the Cumulative Registration Population file, which contains an identifier of First Nations status. High birth weight is calculated by dividing the number of births 4,500 grams or more by the total number of births, for First Nations and for all Albertans.

SELF-REPORTED HEALTH STATUS

Self-reported health status is accepted across Canada as a means of reporting on population health. Self-reported health status reports the degree to which Albertans feel healthy compared to others their own age.

18-64 years

	Good	Very Good	Excellent
2000	24%	42%	24%
2001	27%	39%	24%
2002	25%	40%	23%
2003	27%	40%	23%
2004	26%	39%	23%

65 years and over

	Good	Very Good	Excellent
2000	34%	33%	12%
2001	27%	29%	16%
2002	30%	30%	18%
2003	33%	33%	14%
2004	31%	32%	15%

Source: Annual Alberta Health and Wellness Survey

Data are collected through a telephone survey conducted for Alberta Health and Wellness of 4,000 randomly selected Alberta households. To assess self-reported health status, Albertans 18 years of age and over were asked: "In general, compared with other people your age, would you say your health is excellent, very good, good, fair, or poor?" This measure reports on "good", "very good", and "excellent" results. The confidence interval for this survey is 2 percentage points above or below the reported results.

EASE OF ACCESS TO PHYSICIAN SERVICES

Access to publicly funded health services is a fundamental principle of the health care system. This measure identifies the ease of access to physician services.

	2001	2002	2003	2004
Physician	86%	84%	86%	85%

Source: Annual Alberta Health and Wellness Survey

Data are collected through a telephone survey conducted for Alberta Health and Wellness of 4,000 randomly selected Alberta households. To assess ease of access to physician services, Albertans 18 and over were asked: "How easy or difficult was it for you to obtain the health services you received most recently from a physician in Alberta? Would you say it was very easy, easy, a bit difficult, or very difficult?" This measure reports on access as "easy" or "very easy".

The question is asked only of respondents who report having received services from a physician within the past 12 months (n=2,900). The confidence interval for this survey is 2 percentage points above or below the reported results.

EASE OF ACCESS TO HOSPITAL SERVICES

This measure identifies the ease of access to hospital services.

	2001	2002	2003	2004
Hospital	71%	73%	72%	73%

Source: Annual Alberta Health and Wellness Survey

Data are collected through a telephone survey conducted for Alberta Health and Wellness of 4,000 randomly selected Alberta households. To assess ease of access to hospital services, Albertans 18 and over were asked: "How easy or difficult was it for you to get hospital services when you needed it? Would you say it was very easy, easy, a bit difficult, or very difficult?" This measure reports on access as "easy" or "very easy".

The question is asked only of respondents who report having received services at a hospital (including in-patient, out-patient, or emergency services) in Alberta within the past 12 months (n=1,250). The confidence interval for this survey is 3 percentage points above or below the reported results.

OVERALL QUALITY OF HEALTH CARE RECEIVED

High quality health services is essential to the health system. This measure reflects the views of Albertans' overall quality of care.

2000	2001	2002	2003	2004
86%	86%	86%	85%	86%

Source: Annual Alberta Health and Wellness Survey

Data are collected through a telephone survey conducted for Alberta Health and Wellness of 4,000 randomly selected Alberta households. To assess the quality of care received, Albertans 18 and over were asked: "Overall, how would you rate the quality of care you personally have received in the past 12 months? Would you say it was excellent, good, fair, or poor?" This measure reports the quality of care as "good" or "excellent".

The question is asked only of respondents who report having personally received health services in Alberta within the past 12 months. The confidence interval for this survey is 2 percentage points above or below the reported results.

PARTICIPATION IN HEALTHY BEHAVIOUR

Promotion, protection and prevention services support Albertans in their pursuit of healthy behaviour. This measure identifies Albertans' participation in healthy behaviour.

	Do Not Smoke	Exercise Regularly	Acceptable Weight
1994-95	72%	47%	49%
2000-01	72%	52%	47%

Source: *Statistics Canada - Canadian Community Health Survey, 2000-01*
Data for 1994-95 from National Population Health Survey - historical data for 1994-95 revised for Exercise Regularly

Note: *Data for 2002-03 was not available at time of publication*

The Canadian Community Health Survey (previously, the National Population Health Survey) includes questions about use of tobacco, type and level of physical activity, and the respondent's height and weight, from which the Body Mass Index (BMI) is calculated using the international standard. This survey of Canadians age 12 years and older (except for acceptable weight (20-64 years)) is conducted every two years, and includes a wide range of questions about the health and health practices of residents in each province. Data for 1994-95 and 2000-01 excludes non-respondents. Approximate sample size for Alberta is 12,000 households, which provides a confidence interval of about 1 percentage point above or below the reported results.

PHYSICAL CONDITION OF HEALTH FACILITIES

The long-term goal of government is to preserve the physical condition of health facilities. The Facility Condition Index (FCI) is used in this measure as the ratio of the five-year forecasted cost to correct physical deficiencies relative to the replacement value. This ratio is then expressed as a percentage based on a three-point scale - "good", "fair", and "poor". Using the FCI rating scale, facilities with an FCI of 0 - 15% are "good", those rating between 16 - 40% are "fair", and buildings with a rating of greater than 40% are "poor". This measure reports acceptable physical condition as "fair" and "good".

	2003-04
Good	84%
Fair	11%
Total	95%

Source: *Alberta Infrastructure*

Condition	Meaning
Good	Adequate for intended use and expected to provide continued service life with average maintenance.
Fair	Buildings have aging components nearing the end of their life cycle and require additional expenditures for renewal or refurbishing.
Poor	Upgrading to comply with minimum codes or standards and deterioration has reached the point where major repairs or replacement are necessary.

The cost to correct physical deficiencies was obtained through facility evaluations conducted by professional consultants or qualified staff of the Health Regions, and reviewed by the Health Regions and Alberta Infrastructure. In cases where facility evaluation data was incomplete, Alberta Infrastructure estimated the total physical deficiency costs based on the ongoing working knowledge obtained through on-site participation. As well, Alberta Infrastructure determined the replacement values for publicly funded facilities using such factors as program type and building area.

Goal Two

EDUCATIONAL ATTAINMENT OF ALBERTANS AGE 25-34

These measures indicate the percentage of Albertans aged 25-34 that completed high school, and those that completed post-secondary education.

High School

	1999	2000	2001	2002	2003
Canada	87%	88%	89%	89%	90%
Alberta	88%	90%	90%	89%	89%

Post-Secondary

	1999	2000	2001	2002	2003
Canada	58%	60%	62%	62%	63%
Alberta	55%	56%	59%	58%	57%

Source: *Statistics Canada - Labour Force Survey*

Note: *High school and post-secondary completion are derived from a special tabulation for Alberta Learning*

Statistics Canada's Labour Force Survey collects information on the highest level of education achieved by various age groups. The population age group for this measure was 25-34 years old. The data reported are annual averages for the calendar year, compiled from monthly survey results.

Between 5,375 and 5,507 Alberta households were surveyed each month in 2003, with information provided on between 10,493 and 10,807 individuals each month (of these about 1,550 - 1,600 individuals each month are age 25-34 or about 19,000 on an annual basis). The coefficient of variation (the standard error as a percentage of the reported result) is 1.0% for both the Alberta data and the Canadian data.

ACHIEVEMENT OF ABORIGINAL STUDENTS GRADES 3, 6, AND 9

Students meeting or exceeding the acceptable standard on Provincial Achievement Tests demonstrate that they have met the grade level requirements for that subject. In Grade 3, there are Provincial Achievement Tests for language arts and mathematics. In Grades 6 and 9, there are Provincial Achievement Tests in four subject areas: language arts, mathematics, science and social studies.

The results presented below and in Goal 2 are based on the overall percentage (i.e., combined results for all subjects and grades) of tuition fee students (i.e., students with Registered Indian Status attending school jurisdictions under tuition agreements) meeting the acceptable standard on the Grade 3, 6 and 9 Provincial Achievement Tests in language arts, mathematics, science and social studies.

1999-00 to 2001-02	2002-03
48%	50%

Source: *Alberta Learning*
Note: *Result for 1999-00 to 2001-02, is calculated on the basis of a three-year moving average.*

The information provided above is an appropriate accountability measure for Alberta Learning, as it is based on a clearly defined group of Aboriginal students who are enrolled in Alberta school jurisdictions. The Aboriginal Policy Initiative target of a one percentage point increase was met. Results may not be representative of all Aboriginal students, as identification of Aboriginal students in Alberta's K-12 learning system is incomplete.

The results and target for this measure in the *2003-06 Government Business Plan* were calculated in relation to a broader group of Aboriginal students and included those who were registered in band-operated schools which are not the responsibility of the provincial government. The result for this broader group is provided below. The target of 58% was met.

1999-00 to 2001-02	2002-03
56%	60%

Source: *Alberta Learning*
Note: *Result for 1999-00 to 2001-02, is calculated on the basis of a three-year moving average.*

LITERACY AND NUMERACY GRADE 9

This measure indicates the percentage of students who met or exceeded the acceptable standard on Grade 9 Provincial Achievement Tests. Grade 9 Provincial Achievement Tests in mathematics and language arts are used as proxy measures of literacy and numeracy, as adult literacy surveys are not conducted regularly.

Achieving the acceptable standard on the mathematics and language arts tests in Grade 9 indicates that students have the fundamental skills to become literate and numerate adults.

	1998-99	1999-00	2000-01	2001-02	2002-03
Math	64%	67%	66%	65%	63%
Language Arts	79%	80%	79%	79%	78%

Source: *Alberta Learning*

Students normally take the Grade 9 Provincial Achievement Tests at age 14 to 15. The results are based on the total enrolment of Grade 9 students. Provincial Achievement Tests are based on the curriculum and are developed with extensive involvement from classroom teachers, and input from other educators, business and community groups, to ensure that the standards reflect public expectations.

The standards are set for each test by a committee of teachers and are then held constant by statistical methods in subsequent years.

SKILL DEVELOPMENT

This measure indicates the percentage of employers who were "satisfied" or "very satisfied" with learning system graduates, both high school and post-secondary. It is a direct indicator of the match between workforce skill levels and job requirements, which supports the competitiveness of Alberta businesses.

Data for *Measuring Up 2004* are based on a different survey question than the data presented in *Measuring Up 2003*. Results reported in *Measuring Up 2004* are based on the question, "Thinking about the recent graduates from the Alberta learning system you have working for your company, please rate your OVERALL level of satisfaction with their skills and quality of work." This question was asked in relation to both high school and post-secondary graduates in both the 2001-02 and 2003-04 surveys.

2001-02	2003-04
90%	89%

Source: Alberta Learning

Data in *Measuring Up 2003* were based on a question addressing employers' satisfaction "that graduates are entering the workforce with an appropriate combination of skills and knowledge". Employer satisfaction was reported only in relation to post-secondary graduates for both the 1999-00 and 2001-02 survey results. As a result of this change in questions reported on in *Measuring Up 2004*, the 2001-02 results have been restated.

Information is reported on telephone surveys of employers conducted for Alberta Learning by an external consultant every second year. In both 2001-02 and 2003-04, about 2,000 Alberta employers responded to the survey. In 2001-02, 797 employers responded to the questions on employer satisfaction with recent graduates and in 2003-04, there were 760 respondents.

In future years, starting with *Measuring Up 2005*, reporting on employer satisfaction with learning system graduates will be expanded to include graduates of apprenticeship programs as well as high school, certificate, diploma and degree graduates.

LIFELONG LEARNING

Albertans are encouraged to keep learning and realizing their goals. This measure reports the percentage of Albertans who are satisfied that Albertans have easy access to lifelong learning. The weighted average result of questions asked in annual surveys of two components of the Alberta public: adult learners (those who reported taking education or training in the last 12 months) and adult Albertans who did not take education or training in the last 12 months.

1999-00	2000-01	2001-02	2002-03	2003-04
71%	72%	63%	73%	72%

Source: Alberta Learning

Each year, about 1,000 adult learners and 2,000 adults who had not participated in any education or training in the past 12 months are surveyed for Alberta Learning by an external consultant, for a total sample size of about 3,000. The confidence interval for these results with a sample of this size is about 1.6 percentage points above or below the reported values. In 2001-02, the sample size was only about 1,200. Consequently, a somewhat larger confidence interval of 2.7 percentage points above or below the reported values is associated with the result for 2001-02.

The wording of the question asked of adult learners was clarified in the 2002-03 survey. In previous years, adult learners were asked about their satisfaction that "most adults are able to access the education or training they want". Starting in 2002-03, adult learners were asked about their satisfaction that "you are able to access the education or training you want". Adult Albertans who did not participate in education or training in the prior year are asked a slightly different question: "How satisfied are you that most adults are able to access the education or training they want". The "satisfied" and "very satisfied" responses for these two questions have been combined to calculate the percentage of satisfied respondents.

ADULT PARTICIPATION IN LEARNING

Adult participation in learning helps Albertans realize their potential. This measure presents the percentage of adult Albertans 25+ who indicated

that they had taken some education or training in the last 12 months, as reported in annual surveys conducted for Alberta Learning (same survey as for the lifelong learning measure above). Information on age ranges is gathered from respondents, which enables reporting on the participation rate of Albertans 25+ in education and training.

1999-00	2000-01	2001-02	2002-03	2003-04
27%	28%	30%	30%	28%

Source: Alberta Learning

Oversampling takes place to fill the survey quotas for adult learners and other adult Albertans, resulting in slightly different sample sizes each year. For example, the sample size in 2003-04 was 3,001, compared to 3,109 in 2002-03.

PHYSICAL CONDITION OF EDUCATIONAL INSTITUTIONS

School Facilities

The long-term goal of government is to preserve the physical condition of educational institutions. The measure reports the percentage of total school facilities in acceptable (fair or good) condition, using a non-weighted point scoring system for the number and type of deficiencies. Those facilities with a point rating between 0 to 399 were in "good" condition; those with 400 to 799 points were in "fair" condition; those with 800 or more points were considered to be in "poor" condition. Initial point ratings were based on condition assessments performed in 1999-2000. Ratings have been updated to take into account the estimated effect of modernizations conducted since the initial condition assessments; however, the extent to which schools have deteriorated since the initial assessments has not been determined. Ratings of all facilities are planned to be refreshed over a 5-year cycle.

	2001-02*	2002-03*	2003-04*
Good	47%	52%	52%
Fair	44%	42%	42%
Total	91%	94%	94%

Condition	Meaning
Good	Adequate for intended use and expected to provide continued service life with average maintenance.
Fair	Buildings have aging components nearing the end of their life cycle and require additional expenditures for renewal or refurbishing.
Poor	Upgrading to comply with minimum codes or standards and deterioration has reached the point where major repairs or replacement are necessary.

Source: Alberta Infrastructure
** - estimates*

Data are the result of condition assessments of school facilities owned by school boards and funded by Alberta Infrastructure and does not include outreach facilities.

Post-Secondary Institutions

The measure is a percentage of the total facilities rated in "good" or "fair" condition using a Facility Condition Index.

	2001-02*	2002-03	2003-04*
Good	47%	47%	45%
Fair	41%	41%	39%
Total	88%	88%	84%

Source: Alberta Infrastructure
** - estimates*

The index ratio compares the total cost of deficiencies to the replacement value of the facility. The total cost of deficiencies was calculated by taking the estimated cost of remedial work recommended for the next five years to bring the condition level to either "good" or "fair", and adjusting it for factors such as location, contingency and consultant fees.

When the methodology was first developed, it was based on a Facility Condition Index scale defined as: 0-15 % as "good", 15-50% as "fair" and over 50% as "poor". In 2003-04, the scale for Facility Condition Index was revised with the intent to have the same scale for condition of all facilities in the future. The new scale that was applied to report the results for 2003-04 is defined as: 0-15 % as "good", 16-40% as "fair" and over 40% as "poor".

See Methodology for Physical Condition of Educational Institutions - School Facilities for definition of "good", "fair" or "poor" conditions.

Goal Three

WELL-BEING OF CHILDREN

The Market Basket Measure (MBM) is a measure of low-income developed by Human Resources and Skills Development Canada (HRSD) in consultation with the provinces and territories. This measure refers to the percentage of children who live in families with incomes above the MBM low-income thresholds.

Province	% of children (2000)
NL	68
BC	76
NS	80
MB	80
SK	80
PE	82
NB	83
QC	85
AB	85
ON	86
CAN	83

Source: *Human Resources and Skills Development Canada*
Note: *2001 MBM threshold data was not available at time of publication*

The estimated cost of a specific basket of goods and services is referred to as the MBM threshold. People are considered to have low-income if the family's disposable income is less than their MBM threshold. Income to purchase the basket is based on family income, minus income taxes, payroll taxes, child care costs incurred to enable parent(s) to work, alimony, child support payments made by non-custodial parents, and out-of-pocket health care expenses including dental care, prescriptions, glasses, and disability aids.

The basket is calculated for a reference family of four (two adults and two children). To purchase the "market basket", the family must have sufficient disposable income to purchase nutritious food, buy clothing for work and social occasions, house themselves in their community, and pay for transportation and other expenditures. The costs of the items in the basket vary across the country and are adjusted for different family sizes and configurations.

CHILD CARE CENTRES

This measure rates the extent to which child care centres provide a developmentally appropriate environment for children.

2003-04 Score Range	% meeting Score Range	# of Child Care Centres
1 to < 2	0.5%	1
2 to < 3	5.2%	11
3 to < 4	19.0%	40
4 to < 5	30.8%	65
5 to 7	44.5%	94

Source: *Alberta Children's Services, Service Quality Division*

This is the first year of reporting (baseline data) on the percentage of child care centres that provide a developmentally appropriate environment for children. Child care centres refer to licensed day care centres and do not include family day homes.

Two internationally recognized program assessment tools, ECERS-R (Early Childhood Environment Rating Scale - revised) and/or the ITERS-R/ITERS (Infant and Toddler Environment Rating Scale - revised), were used. These tools assess individual playrooms of a child care centre; the ECERS-R is used in playrooms serving children 2 ½ through 5 years of age (in some cases these playrooms also include 6 year olds) and ITERS-R/ITERS in playrooms for children from birth to 2 ½ years. Both tools rate spatial, programmatic and interpersonal features that directly affect children in early childhood programs.

A random sample of 211 out of 468 licensed day care centres in the province and a random sample of rooms within those day care centres was used to gather data. A score in one room is considered representative of the quality of the program throughout the centre.

Child Care Specialists receive extensive training on the correct use of the assessment tools and have developed inter-rater reliability.

CHILDREN IN CARE

This measure looks at children under the guardianship or custody of the Provincial Child Welfare Program per 1,000 child population.

Goal Four

ECONOMIC STATUS OF ALBERTANS

(See Methodology for Well-Being of Children)

Province	% of Albertans (2000)
NL	77
BC	80
NS	84
PE	85
SK	86
NB	86
MB	87
QC	88
AB	88
ON	89
CAN	87

Source: Human Resources and Skills Development Canada
Note: 2001 MBM threshold data was not available at time of publication

PERSONS WITH DEVELOPMENTAL DISABILITIES (PDD)-FUNDED SERVICES

The Family/Guardian Satisfaction Survey is conducted to determine the overall satisfaction of families/guardians (public and private) with PDD-funded services received by the person to whom they provide guardianship. As this is a biennial survey, the following procedures relate to the most recent results available (i.e., 2002-03).

2000-01	2002-03
90.4%	88.7%

Source: Alberta Community Development, based on Vocational and Rehabilitation Research Institute Surveys

The population consisted of all legal guardians, including public guardians, and/or family members in the absence of a legal guardian of individuals receiving PDD-funded services in Alberta. Regional offices distributed the questionnaire to families/guardians by mail in January 2003. A total of 1,273 questionnaires were received by the end of March 2003 for a response rate of 34.1%. Of these questionnaires, 1,101 included responses for all three questions used in the analysis. The three survey questions used to calculate overall satisfaction dealt with whether the services met the person's needs, whether they were satisfied overall that the services provided enhanced the person's quality of life and whether they were satisfied overall that the person's services helped him or her to be a part of the community as much as desired.

Results were obtained by computing the mean average for the three questions. Overall results were determined using the top two combined response categories of a four-point rating scale for the categories "strongly agree", "agree", "disagree" and "strongly disagree". Data were analyzed with SPSS software. The margin of error is +/- 1.6% at the 95% confidence level.

ALBERTA SENIORS BENEFIT

Seniors are provided with the opportunity to apply for financial assistance should they require it. Follow-ups are conducted with seniors who have not applied for the Alberta Seniors Benefit (ASB) within four months of receiving an application package. These seniors were sent a Business Reply Mail (BRM) card and information sheet and asked to return the card indicating their intentions concerning application to the program. Determining whether seniors have been provided with an opportunity to apply for the program involves using the number of applications completed and the number of BRM cards returned to determine the percentage of seniors who have applied for a benefit, who have decided not to apply, who planned to apply, and who requested a new application package.

The measure is still under development although data collection for the first year has been completed. Following analysis of first year results, further development of the measure may include telephone follow-ups to seniors who do not return the BRM card or application within a month of the card being mailed. In 2003-04, preliminary results indicate that 99% of seniors were provided an opportunity to apply for the ASB.

Source: Alberta Seniors

COMMUNITY PLANS IN PLACE

Methodology is under development. The measure for *2004-05 Measuring Up* has been adjusted to refer to community plans developed by the seven major urban municipalities.

EFFECTIVENESS OF COMMUNITY PLANS

This is no longer considered an appropriate measure of results achieved. In future years, the government will consider other ways to measure the effectiveness of strategies for meeting low-cost community housing needs.

Goal Five

ABORIGINAL PARTICIPATION IN THE ECONOMY

The government is committed to having Aboriginal people participate in the economy. This measure refers to the difference in participation rates of Aboriginal and non-Aboriginal people. Participation rate is the labour force (employed and unemployed), expressed as a percentage of the total population aged 15 years and over.

	Aboriginal	non-Aboriginal	Difference
1996	65.8%	72.7%	6.9%
2001	68.1%	73.4%	5.3%

Source: *Statistics Canada, 1996 and 2001 Canada Censuses (Custom Tabulation 2B Target Group Profile)*

Note: *In accordance with contractual obligations, Custom 2B profiles from the 1996 and 2001 Censuses of Canada are not publicly available.*

The Canada Census, taken every five years, has been the main source of data available for the Aboriginal population. Starting in 2002, Aboriginal Affairs and Northern Development worked with Human Resources and Employment and Statistics Canada to incorporate Aboriginal-specific "identifiers" within the monthly provincial Labour Force Survey. Baseline data from this project is expected to be available for inclusion in next year's *Measuring Up*.

ABORIGINAL SOURCE OF INCOME - GOVERNMENT TRANSFERS

This measure refers to the difference in the proportion of total income received from government transfers between Aboriginal and non-Aboriginal people.

	Aboriginal	non-Aboriginal	Difference
1995	18%	11%	7%
2000	14%	9%	5%

Source: *Statistics Canada, 1996 and 2001 Canada Censuses (Custom Tabulation 2B Target Group Profile)*

"Aboriginal people" are those who identified themselves as having North American Indian, Metis or Inuit ancestry.

Income from government transfers includes amounts reported from: Old Age Security Pension and Guaranteed Income Supplement, Canada or Quebec Pension Plan, Employment Insurance, Canada Child Tax Benefit and other income from government sources.

SOURCE OF INCOME - METIS SETTLEMENTS

This measure identifies the percentage of income received from government transfers by Metis Settlement residents.

Settlement	1995	2000	1995 to 2000 (% change)
Fishing Lake	37.8	26.6	(11.2)
Peavine	19.6	14.8	(4.8)
East Prairie	29.8	25.4	(4.4)
Elizabeth	24.6	20.4	(4.2)
Gift Lake	28.7	24.9	(3.8)
Kikino	25.0	21.4	(3.6)
Buffalo Lake	30.7	28.9	(1.8)
Paddle Prairie	16.1	21.2	5.1
Average	26.54	22.95	(3.59)

Source: *Statistics Canada, 1996 and 2001 Canada Censuses (Custom Tabulation 2B Target Group Profile)*

Alberta's Metis Settlements conducted their own census in 1998 and source of income data from this census was published in the *2003-06 Government Business Plan*. Data from the 2003 Metis Settlements census was not available in time for publication in this year's *Measuring Up*. Data from the 1996 and 2001 Canada Censuses, Custom 2B profiles prepared by Statistics Canada for Aboriginal Affairs and Northern Development, was used instead. "Metis Settlement residents" refer to the population residing on the eight Metis Settlements.

See methodology for Aboriginal Source of Income - Government Transfers for definition for income from government transfers.

SELF-GENERATED REVENUE - METIS SETTLEMENTS

This measure identifies the amount of revenue generated by the Metis Settlements to support the cost of local governments. Baseline data on self-generated revenue was calculated based on revenue derived from sources that are consistent across all eight Settlements. Total funding provided to the Metis Settlements pursuant to the *Metis Settlement Accord Implementation Act* was derived from Aboriginal Affairs and Northern

Development's 2001-02 financial statements. In 2001-02, $3,731,349 was generated by all eight Metis Settlements from industrial taxation, user fees and levies. This represents an amount equal to 21% of the total funding provided to Metis Settlements

Source: Metis Settlements General Council, Aboriginal Affairs and Northern Development

Goal Six

ALBERTANS' SATISFACTION WITH THEIR LOCAL GOVERNMENTS

This measure reports the percentage of Albertans' satisfied with their local governments.

2002-03	2003-04
79.6%	78.8%

Source: Alberta Municipal Affairs' survey conducted by Environics Research Group

Information is collected through a telephone survey conducted by an independent research firm of 1,001 adult Albertans in rural and urban areas from September 23 to October 6, 2003. The results are reliable to within +/- 3.1%, 19 times out of 20.

MUNICIPAL FINANCIAL ACCOUNTABILITY

This measure reports the percentage of municipalities that meet the criteria of financial accountability.

1999-00	2000-01	2001-02	2002-03	2003-04
97%	98%	98%	98%	99%

Source: Alberta Municipal Affairs

The Alberta Government has established legislation based limits upon which the criteria for financial accountability are based. Regularly not meeting the criteria, or not addressing the associated problems, may indicate viability issues.

LOCAL AUTHORITIES COST OF BORROWING FROM ACFA

The Alberta Capital Finance Authority (ACFA) compares Alberta local authorities' average cost of borrowing to the Municipal Finance Authority of British Columbia (BCMFA) and the City of Toronto (TO). The following is a comparison of average amortizing loan rates, rounded to one decimal, with annual payments for each term.

Borrowing Period	ACFA	BCMFA (est.) (percent)	Toronto (est.)
3 Year			
2003 average	3.8	4.1	4.1
2002 average	3.8	4.2	4.3
5 Year			
2003 average	4.4	4.1	4.1
2002 average	4.4	4.2	4.3
10 Year			
2003 average	5.2	4.9	4.9
2002 average	5.3	5.1	5.1
15 Year			
2003 average	5.5	5.4	5.4
2002 average	5.5	5.6	5.7
20 Year			
2003 average	5.8	5.6	5.7
2002 average	5.8	5.9	5.9
25 Year			
2003 average	5.8	5.9	5.9
2002 average	5.9	6.0	6.1

Source: Alberta Finance, ACFA

The BCMFA and the City of Toronto were selected for comparison because they reflected the size and credit rating of ACFA. Data was not collected prior to 2002; therefore, the 2002 average is calculated using data from August 2002 to December 2002. However, the 2003 average is calculated using the entire calender year.

LOCAL AUTHORITIES' SATISFACTION WITH ACFA

This measure tracks shareholder satisfaction with respect to the Alberta Capital Finance Authority (ACFA) lending policies and efficiency levels.

	2001
Lending Policies	83%
Efficiency	89%

Source: Alberta Finance, ACFA

Alberta Finance conducts a biennial survey in which shareholders were asked to indicate their level of satisfaction with ACFA's (formerly Alberta Municipal Financing Corporation) lending policies and timeliness of processing loan applications. A full census of shareholders was conducted. A total of 145 responses were received, representing a response rate of 33%.

ACFA has recently changed its lending policy. Therefore, the biennial survey has been rescheduled for September 2004 to measure the effect of these significant changes on stakeholder satisfaction.

Goal Seven

GROSS DOMESTIC PRODUCT

This measure indicates the long-term growth rate of the Alberta economy as measured by the three-year average annual growth rate of current dollar GDP.

	97-99	98-00	99-01	00-02	01-03
Canada	5.5%	6.8%	6.6%	5.6%	4.1%
Alberta	6.0%	10.7%	12.3%	9.1%	6.1%

Source: *Statistics Canada - Provincial Economic Accounts, 2003 and Alberta Finance*

Notes: *Historical data revised*
The data source for deriving the three-year average annual growth rate for current dollar GDP for Alberta has been changed. Statistics Canada's Provincial Economic Accounts are now being used rather than the Alberta Economic Accounts, which allows for the reporting of more current data, i.e., 2003.

Gross Domestic Product (GDP) is a measure of the value of all final goods and services produced in Alberta in a given year. Using data from Statistics Canada, the growth rates for nominal GDP in each year are calculated and the rates averaged over a three-year period. As cyclical variations are common in Alberta, a longer-term trend growth rate is presented, using a three-year rolling average annual growth rate.

JOB GROWTH

Job growth is a measure of the net number of jobs created in Alberta on an annual average basis since the beginning of 2000.

	Net Cumulative New Jobs Since 1999 (thousands)
1999 to 2000	34.9
1999 to 2001	78.8
1999 to 2002	120.5
1999 to 2003	168.4

Source: *Statistics Canada - Labour Force Survey and Alberta Finance*

Statistics Canada obtains information on employment growth as part of its monthly Labour Force Survey. Job growth is then calculated on an annual average basis (12-month average), which is the standard method for tracking job growth.

ALBERTA'S LABOUR PRODUCTIVITY

Labour productivity is measured by real GDP in chained (1997) dollars per hour worked for 2003.

Province	Real GDP/Hour Worked
PE	36.2
MB	43.5
NB	43.9
NS	44.3
QC	47.0
BC	52.5
SK	53.7
NL	54.5
ON	55.8
AB	56.8
CAN	52.6

Source: *Statistics Canada - Provincial Economic Accounts, 2003, Statistics Canada, Survey of Employment, Payroll and Hours (SEPH), and Alberta Finance*

BUSINESS INNOVATION

Internet use by the private sector is an indication of the extent to which businesses in Alberta are open to adopting new technologies and innovative business practices. The percentage of Alberta households with at least one member who uses the Internet at work is used as a proxy to measure business use of the Internet in the province.

	1998	1999	2000	2001	2002
NL	17.1%	14.2%	22.0%	24.3%	25.1%
QC	16.3%	17.2%	21.1%	28.0%	27.3%[E]
NB	19.8%	19.2%	24.2%	27.9%	28.4%
PE	21.9%	19.8%	27.5%	30.2%	28.5%[E]
NS	22.8%	19.7%	27.0%	30.5%	30.6%
SK	21.4%	19.3%	26.4%	27.3%	31.2%
MN	22.1%	20.2%	27.4%	30.7%	31.9%
BC	26.7%	23.6%	26.2%	32.3%	33.6%
AB	31.7%	27.6%	36.1%	38.3%	38.0%[E]
ON	25.6%	24.2%	30.9%	35.9%	39.8%
CAN	23.3%	21.9%	27.5%	32.6%	34.2%

Source: *Statistics Canada - Household Internet Use Survey, 2002, http://www.statcan.ca/english/Pgdb/arts50c.htm, May 28, 2004*

E - Indicates that the figure should be used with caution, reflecting a greater degree of non-response error in the 2002 survey. The apparent downturn in Alberta's rate may not reflect a reduction in Internet usage, but could reflect differences in survey response rates, changes to improve non-response imputation or changes to improve weighting procedures between 2001 and 2002.

SPONSORED RESEARCH AT ALBERTA UNIVERSITIES

This measure provides a breakdown of the value of sponsored research at Alberta universities by funding source. The funding sources include the

provincial government, industry and non-profit organizations and the federal government.

	98-99	99-00	00-01	01-02	02-03
	($ millions)				
Federal	86.2	118.9	131.7	190.2	188.6
Industry & Non-Profit	72.9	79.3	104.0	100.4	94.5
Other & other gov't	6.4	9.8	14.5	20.5	23.9
Provincial	65.4	92.0	118.5	126.3	127.1
Total	230.9	299.9	368.8	437.5	434.2

Source: *Research Funding at Alberta Universities 2002-03 Report, December 2003, Alberta Innovation and Science, University Research and Strategic Investments Branch*

Note: *Results for previous years revised. Totals may not add due to rounding.*

VALUE-ADDED INDUSTRIES

This measure tracks the percentage of real GDP contributed by the manufacturing and knowledge-intensive service sectors, as a proxy for Alberta's value-added industries.

	1999	2000	2001	2002	2003
	(% of real GDP)				
Primary Resources	22.1	19.8	18.9	17.2	18.0p
Value-Added	28.4	29.4	29.7	30.1	29.8p

Source: *Statistics Canada - Provincial Economic Accounts, 2003 and Alberta Finance*

Notes: *Based on estimated data. Historical data revised. The percentage of real GDP contributed by the primary resources and value-added industries in 2001 as presented in Measuring Up 2003 were preliminary and have since been revised to incorporate more current data.*
The data source for deriving the three-year average annual growth rate for current dollar GDP for Alberta has been changed. Statistics Canada's Provincial Economic Accounts are now being used rather than the Alberta Economic Accounts, which allows for the reporting of more current data, i.e., 2003.

p - preliminary

Primary resource industries are included for comparison to the value-added sector. Value-added by an industry is the difference between the gross value of production of that industry less the total value of inputs that go into the production process.

The primary resources sector includes agriculture, fishing and trapping, forestry and mining. The knowledge-intensive services include information and cultural services, professional, scientific and technical services, health care and social assistance, and various membership organizations.

The shares of provincial real GDP in (1997) dollars accounted for by the primary resource and manufacturing sectors are calculated using Statistics Canada's Provincial Economic Accounts 2003 data. The shares of real GDP accounted for by the knowledge-intensive industries also come from Statistics Canada's Provincial Economic Accounts 2003, which lists industry real GDP figures by the North American Industry Classification System (NAICS). The values of the primary resource sector, the manufacturing sector, and the knowledge-intensive industries are divided by total provincial real GDP to determine each sector's contribution to the Alberta economy.

EXPORT TRADE

This measure tracks Alberta's international value-added exports including manufactured goods, tourism and other services measured in current dollars.

1999	2000	2001	2002	2003
		($ billions)		
18.8	24.4	23.4	21.9	20.6p

Source: *Alberta Economic Development (derived from Statistics Canada data)*

Note: *Historical data revised. The value of export trade in 2002 as presented in Measuring Up 2003 were preliminary and have since been revised to incorporate more current data.*

p - preliminary

Alberta Economic Development (AED) uses Statistics Canada data to monitor the value of goods exported to other countries. Statistics Canada prepares the data monthly and publishes it in Canadian International Merchandise Trade.

The total value of Alberta's international goods exports is equivalent to Statistics Canada's published numbers. However, Statistics Canada does not prepare industry specific export values. Industry definitions, such as agriculture, mining, and manufacturing and other, are specific to AED, but are based on Statistics Canada classifications. A concordance table is obtained from Statistics Canada that allocates each commodity exported into a specific industry. This concordance table is then modified to reflect unique characteristics of

Alberta's economy, i.e., natural gas liquids are moved from manufacturing to mining. Tourism estimates are also obtained from Statistics Canada. Estimates for other services are developed in-house by AED, based on various Statistics Canada surveys.

PERSONAL DISPOSABLE INCOME PER CAPITA

Personal disposable income is defined as gross personal income less personal direct taxes and other current transfers to government by persons, including Canada Pension Plan contributions and Employment Insurance premiums. Personal disposable income per capita is obtained by dividing an economy's total personal disposable income by its population for 2003.

Province	Dollars
PE	18,725
NL	18,988
NB	19,664
SK	19,784
NS	20,647
MB	20,866
QC	21,235
BC	21,442
ON	23,985
AB	26,170
CAN	22,694

Source: Statistics Canada - Provincial Economic Accounts, 2003

BARRIERS TO TRADE

This measure is obtained from internal documents that have been developed by Sustainable Resource Development to co-ordinate analysis of the proposed changes identified in the June 2003 Policy Bulletin released by U.S. government.

The initiative to find a long term solution for the softwood lumber dispute involves the following stages:

1. Analysis of options presented in U.S. Department of Commerce draft Policy Bulletin-Completed.
2. Preparation of a package of proposed changes for a potential "changed circumstances" application with the U.S. Department of Commerce-In Progress.
3. Modifications to the Community Timber Program to isolate participants from a potential market system-In Progress.

Goal Eight

LEVEL OF SERVICE FOR THE NATIONAL HIGHWAY SYSTEM

This measure is defined as the percentage of the highway network that is equal to or better than a targeted Level of Service (LOS). If a highway meets or exceeds this targeted level, it is being utilized as planned. The targeted LOS for provincial highways is C.

Restated 2001-02	Restated 2002-03	2003-04
99.6%	99.9%	100.0%

Source: Alberta Transportation

The LOS calculations are based on the methodology outlined by the United States Transportation Research Board's Highway Capacity Manual. Traffic capacity was determined for each highway segment from the Alberta Transportation physical inventory. Traffic demand was calculated using traffic volume data (for peak-hour volumes) collected along the highway network throughout the province. The source traffic volume data was collected and processed by independent consultants. Data received was reviewed and used by ministry staff in the performance measure analysis. Intersection counts were also performed to determine the types of vehicles using each section of highway. This data was used to calculate Level of Service ratings as per the 2000 Highway Capacity Manual. Levels of service are defined as follows:

A. Traffic is practically unimpeded.
B. Ability to maneuver within traffic is only slightly restricted.
C. Freedom to maneuver within traffic is noticeably restricted.
D. Freedom to maneuver is severely limited.
E. Boundary between levels D and E describes operation at capacity. There are virtually no usable gaps in traffic.
F. There is a breakdown of traffic flow. This is characterized by stop and go conditions.

The National Highway System under provincial jurisdiction in Alberta consists of the North-South Trade Corridor, TransCanada Highway 1, Highway 2 (Fort Macleod to Edmonton and Falher to west of Peace River), Highways 3, 4, and 9, Yellowhead Highway 16, and Highways 35, 43, and 49 (Valleyview to Falher). The Trans-

Canada Highways within Calgary and Edmonton are excluded.

2001-02 and 2002-03 results are restated to conform with 2003-04 result, due to the change in the definition of the measure from prior years' level "B" or better to 2003-04 level "C" or better.

PHYSICAL CONDITION OF PROVINCIAL HIGHWAYS

This measure reports the percentage of provincial highways with pavement in acceptable physical condition.

2002-03	2003-04
88.8%	88.8%

Source: Alberta Transportation

The International Roughness Index (IRI) measures the roughness of roads and is used to categorize overall physical condition of provincial highways into "good", "fair", and "poor" sections. The IRI values are collected annually. Using laser-based equipment, the average IRI level is reported over each 50 metre segment of the highway. This detailed data is further averaged over one kilometre sections to provide an assessment of condition over practical lengths. The source IRI data was collected and processed by independent consultants. Data received was reviewed and used by ministry staff in the performance measure analysis.

Alberta Transportation's method of reporting uses standards established as a result of a comprehensive research study conducted by the University of Calgary on highway condition and other performance measures.

FUNCTIONAL ADEQUACY OF PROVINCIAL HIGHWAYS

This measure defines the percentage of provincial highways that meet target criteria for functional adequacy. The target criteria relate to surface width, horizontal curve geometrics, surface type, and weight restrictions (road bans).

2002-03	2003-04
80.1%	80.1%

Source: Alberta Transportation

Functional adequacy is determined by preparing an inventory of the various segments of highway that have deficiencies for any of these factors. If a section of highway has a deficiency for any of the factors, it is considered to be functionally inadequate. For the functional adequacy performance measure analysis, ministry staff used mutiple in-house sources of data, supplemented with data on traffic volumes and geometrics collected by independent consultants. The percentage of the highway network that meets target criteria for functional adequacy is the total length of roadway minus the total length of roadway with a deficiency, divided by the total length of roadway, multiplied by 100.

NORTH-SOUTH TRADE CORRIDOR

The measure is calculated by totalling the number of kilometres twinned and open to travel versus the total kilometres of the corridor (1,175 km).

1999-00	2000-01	2001-02	2002-03	2003-04
57.0%	69.2%	77.1%	78.3%	83.5%

Source: Alberta Transportation

Completion reports and documentation for twinning projects are prepared by independent consultants and reviewed and used by the ministry staff in the performance measure analysis.

PHYSICAL CONDITION OF WATER MANAGEMENT INFRASTRUCTURE

This measure is based on a full assessment of water management structures, including headworks, dams, and irrigation canals that was done by an external consultant from 1997-99. It is the percentage of physical infrastructure totalled by replacement value rated as being in acceptable condition, which includes "fair", "good", and "excellent" condition on a 5-point scale of "poor", "marginal", "fair", "good", and "excellent". In 1999, 96% of water management infrastructure was in acceptable condition.

The following defines the ranges:

Textual Value	Meaning
Excellent	New or like new requiring minimal maintenance.
Good	Fully operational and requiring normal maintenance.
Fair	Operational but requiring considerable ongoing maintenance.

Marginal	Operational but requiring excessive ongoing maintenance or failure may be possible during a major event.
Poor	Not operational or failure may be imminent or occurred.

Currently, water management infrastructure assessments are done by a combination of internal staff at Environment and independent consultants on the basis of visual inspections and discussions with staff that are familiar with the operation of the infrastructure. Where initial inspections identify potential problems, a more detailed analysis utilizing engineering techniques is employed to confirm the nature and extent of the problems. Due to the large number of water management structures, assessments are made on a rotational basis, with approximately a third of the infrastructure assessed per year. A new electronic management system will enable more up to date results for this performance measure.

SUPERNET COMPLETION

This measure tracks the number of communities connected to SuperNet.

2002-03	2003-04
(communities connected, cumulative)	
6	11

Source: Alberta Innovation and Science

Community connection targets for this measure are based on progress in both the Extended Area and Base Area Networks. While this measure reflects the end result of the SuperNet build, it is not a true indication of the progress being made to achieve that end. As a result, additional detail is now being tracked to more accurately report the progress on all aspects of the build. New tracking methods also include separate reporting for the two networks. Data is collected and reviewed by Alberta Innovation and Science's SuperNet Build Team, using weekly status updates provided by the prime contractor for Alberta SuperNet.

Goal Nine

INTERGOVERNMENTAL RELATIONS

This measure indicates the public approval rating of the Alberta government in federal-provincial relations as a percentage of the average ratings of the four closest provinces.

2002-03	2003-04
107%	100%

Source: Environics Research Group Limited, Focus Canada Report, 2003

Environics Research Group Ltd. conducts a quarterly national opinion poll surveying the views of Canadians regarding the performance of their provincial and federal government in various areas of governance. The results for each quarter are reported in a Focus Canada Report (2003-1, 2003-2, etc.). Albertans are specifically asked to rate their approval or disapproval of the way the Government of Alberta is handling federal-provincial relations. The average of the four quarterly surveys shows the percentage of Albertans approving of the government's yearly performance. These results are compared to the average approval rating of the citizens of four other provinces (British Columbia, Saskatchewan, Manitoba and Ontario) for the federal-provincial performance of their respective governments.

The margin of error for a stratified probability sample of the size used for the survey is +/- 2.2 percentage points, 19 times out of 20. The approximate margin of error is greater for results pertaining to each of the provinces. For the April 2004 survey, the percentage point margin of error for each of the provinces is: Ontario (4.1), Manitoba (8.5), Saskatchewan (8.8), Alberta (6.8) and British Columbia (6.4), 19 times out of 20.

In previous years, this information was provided by calender year. Due to the shift in government-wide reporting standards for performance measures, the information is now presented by fiscal year.

PROVINCIAL CREDIT RATING

This measure indicates Alberta's blended credit rating for domestic debt relative to British Columbia, Ontario and Canada.

Year	Alberta	Ontario	B.C.	Canada
1997	AA	AA-	AA+	AAA
1998	AA+	AA-	AA	AAA
1999	AA+	AA-	AA	AAA
2000	AA+	AA-	AA-	AAA
2001	AAA	AA-	AA-	AAA
2002	AAA	AA	AA-	AAA
2003	AAA	AA	AA-	AAA
2004	AAA	AA	AA-	AAA

Source: Alberta Finance

A credit rating is an independent credit rating agency's assessment of the future ability of an organization to repay its long-term debt, and a method of comparing the quality of different bond issues. A blended rate is an average (rounded) of the domestic debt credit ratings issued by the following credit rating agencies: Standard and Poor's Rating Services, Moody's Investors Service Limited and Dominion Bond Rating Service. The highest possible rating is AAA.

ALBERTA SUSTAINABILITY FUND

The Alberta Sustainability Fund (SF) is part of Alberta's new fiscal framework, legislated in the *Fiscal Responsibility Act* (FRA) and implemented in 2003-04. The SF is an account within the General Revenue Fund, and is the mechanism that protects the fiscal plan from revenue volatility and costs of emergencies, disasters and natural gas rebates.

The FRA stipulates that non-renewable resource revenue above $3.5 billion (changed to $4 billion for 2004-05) is transferred into the SF. In addition, Treasury Board can allocate additional amounts to the SF. By way of policy, the SF is the first priority for year-end surpluses until the Fund reaches $2.5 billion.

The FRA permits transfers from the fund for costs of emergencies, disasters and natural gas rebates, and for revenue shortfalls. If actual non-renewable resource revenue is less than $3.5 billion, the difference may be made up from the SF. If other revenue is less than budgeted, the difference may be made up from the SF under certain conditions.

The balance in the SF cannot be less than zero, and if the SF balance exceeds $2.5 billion, Treasury Board may re-allocate the excess to other balance sheet accounts, reducing liabilities, such as accumulated debt, or increasing assets, such as the Capital Account or the Heritage Fund.

ACCUMULATED DEBT

The *Fiscal Responsibility Act* sets out the government's minimum required schedule to repay the $12.5 billion of accumulated debt that was remaining as of March 31, 2000 over a maximum of 25 years. The legislation includes five-year milestones for repayment of the accumulated debt.

As of March 31, 2004, accumulated debt, less cash set aside for future debt repayment, is $3.7 billion, below the initial Budget 2003 target of $4.8 billion, and better than the original and new 5-year milestones legislated in the FRA.

	Accumulated Debt ($ billions)
1999-00	12.5
2000-01	8.2
2001-02	5.7
2002-03	4.7
2003-04	3.7

Source: Government of Alberta, Consolidated Financial Statements for the year ended March 31, 2004 Accumulated Debt Elimination Schedule of the Fiscal Responsibility Act

TAX LOAD

Tax load, or tax effort, compares actual tax revenues generated within a province to the revenue that the province would generate if it were taxed at national-average tax rates. Tax load is expressed as an index with the average provincial tax load equal to 100 basis points.

Province	Percent
AB	75.3
ON	97.9
BC	101.6
NB	102.5
NS	104.4
MB	108.9
PE	109.0
NL	114.5
QC	116.5
SK	120.0

Source: Federal Department of Finance, Third Estimate for 2003-04, February 2004 and Alberta Finance

Tax load is expressed as an index with the average Canadian tax load equal to 100. The territories are excluded from this calculation because they are not part of the Equalization program.

This measure of tax load includes personal and business taxes; provincial-municipal taxes including property taxes, non-renewable resource revenues, net income from commercial operations; and revenue from premiums, fees, and licenses including health care premiums. Each year, the provinces report these tax revenues to the federal government as part of the reporting requirements for the Equalization program.

National average tax rates are calculated by dividing total national tax revenue by the national tax base. The revenue that the province would generate if it taxed at national rates is equal to the national-average tax rate multiplied by the provincial tax base for each of the tax categories. Provincial tax load is equal to the ratio of actual provincial revenues divided by the results of the previous calculation multiplied by 100.

The data to calculate the tax load is obtained from the Federal Department of Finance, and the tax load data is derived by Alberta Finance.

GOVERNMENT FINANCIAL ACCOUNTABILITY

This measure reports the percentage of Albertans satisfied with the information they receive from the Alberta government on the government's financial performance.

2002-03	2003-04
67%	57%

Source: Survey conducted for Alberta Public Affairs Bureau by Enviromics West

It reports information from a telephone survey conducted for Public Affairs Bureau. In 2004, 606 adult Albertans in rural and urban areas were interviewed. In 2003, 1,000 adult Albertans were interviewed. The results may have been affected by the timing of the survey. In 2003, the survey was conducted from January 28 to February 4, following the Premiers' Address. In 2004, the survey was conducted from April 2 to April 6. Adults were asked the following question: "How satisfied are you with the information you receive from the Alberta government on the government's financial performance?" In 2004, the results were reliable to within plus or minus 4.0%, 19 times out of 20.

PHYSICAL CONDITION OF GOVERNMENT-OWNED AND OPERATED BUILDINGS

This measure reports the percentage of government-owned and operated buildings in acceptable physical condition.

	2001-02	2002-03	2003-04
Good	55%	50%	47%
Fair	42%	47%	49%
Total	97%	97%	96%

Source: Alberta Infrastructure

The percentage is calculated by taking the total replacement value of all facilities in good, fair, or poor condition and dividing each by the total replacement value for all buildings. $1,650 per square metre was used to determine the average replacement value in each condition level.

The data was collected through condition inspections and audits by Infrastructure staff and consultants on a five-year cycle basis with one fifth of the data collected each year. Facilities owned by government but leased or operated by others were excluded from this measure.

Condition	Meaning
Good	Adequate for intended use and expected to provide continued service life with average maintenance.
Fair	Buildings have aging components nearing the end of their life cycle and require additional expenditures for renewal or refurbishing.
Poor	Upgrading to comply with minimum codes or standards and deterioration has reached the point where major repairs or replacement are necessary.

Goal Ten

WORKPLACE LOST-TIME CLAIM (LTC) RATE

The Lost-Time Claim (LTC) rate represents the probability, or risk, of disabling injury or disease to a worker during a period of one year's work. The measure indicates the number of lost-time claims per 100 person-years worked to indicate increases or decreases in this risk.

1999	2000	2001	2002	2003
	(lost-time claim rate)			
3.2	3.4	3.2	3.0	2.9

Sources: Department of Alberta Human Resources and Employment and Workers' Compensation Board

The Alberta Workers' Compensation Board (WCB) records a LTC when a worker, his/her physician, or his/her employer submits an injury report form. The WCB collects this information and provides the data files to Alberta Human Resources and Employment (AHRE) for analysis. The LTC rate is reported by calendar year and is calculated by AHRE using the following formula:

$$\text{Lost-Time Claim (LTC) Rate} = \frac{\text{Number of LTC}}{\text{Estimated Person-Years}^*} \times 100$$

* *One person-year is equivalent to one full-time worker working for one year, or 2,000 hours worked.*

EFFECTIVENESS OF HUMAN RIGHTS PROTECTION

This measure identifies the percentage of adult Albertans who indicated that human rights are "fairly well" or "very well" protected in Alberta.

1999-00	2000-01	2001-02	2002-03	2003-04
83.2%	84.3%	85.7%	83.7%	84.8%

Source: Alberta Community Development, based on Research Innovations Inc. surveys

The Community Development Survey of Albertans is an annual province-wide telephone survey of 1,000 adult Albertans. Since 1999, Research Innovations Inc. (formerly the Advisory Group) has conducted this survey using a random sample stratified by age group, gender and geographic location to be representative of Alberta's population. Results are based on the combined total of adult Albertans who indicated human rights are "fairly well" or "very well" protected in Alberta, the top two categories of a four-point rating scale. A pre-test of the questionnaire was performed, and all interviews were conducted in January 2004 by trained and experienced interviewers. Question order was randomly rotated to minimize potential question order bias. Interviews were monitored while in progress and 10% of each interviewer's work was directly monitored. The response rate was 54.3%. Data were analyzed with STATXP software. The margin of error is +/- 3.2% at the 95% confidence level.

CRIME RATE - VIOLENT AND PROPERTY

The Violent Crime and Property Crime Rate compare Alberta's crime rate per 100,000 population to those of British Columbia, Saskatchewan and Manitoba. The rate is defined as the total number of Criminal Code of Canada incidents involving youth and adults. Crime statistics are collected using the Uniform Crime Reporting Survey, a common survey used to measure police-reported crime in each Canadian jurisdiction. Crime rates may vary owing to differences in the jurisdiction's enforcement methods, charging practices and available diversion programs. Population data from Statistics Canada is used to convert reported crime into crime rates per 100,000 population.

Violent Crime Rate

This measure expresses Alberta's violent crime rate in comparison to the other three western provinces. Violent crime involves offences that deal with the application, or threat of application of force to a person. These include homicide, attempted murder, various forms of sexual and non-sexual assault, robbery and abduction. Traffic incidents that result in death or bodily harm are not included.

Province	2000	2001	2002
		(per 100,000)	
Alberta	1,059	1,101	1,077
British Columbia	1,252	1,216	1,199
Manitoba	1,644	1,620	1,644
Saskatchewan	1,668	1,802	1,812

Source: Canadian Crime Statistics, Canadian Centre for Justice Statistics

Property Crime Rate

This measure expresses Alberta's property crime rate in comparison to the other three western provinces. Property crime includes incidents involving unlawful acts with the intent of gaining property, but do not involve the use or threat of violence against an individual. Theft, breaking and entering, fraud and possession of stolen goods are examples of property crimes.

Province	2000	2001	2002
		(per 100,000)	
Alberta	4,438	4,410	4,663
Manitoba	4,979	5,143	4,977
Saskatchewan	5,882	5,867	5,678
British Columbia	6,375	6,448	6,488

Source: Canadian Crime Statistics, Canadian Centre for Justice Statistics

PERCEPTION OF SAFETY IN THE NEIGHBOURHOOD

This measure identifies the percentage of Albertans who felt comfortable walking alone in their neighbourhoods at night.

1999-00	2000-01	2001-02	2002-03	2003-04
79%	80%	81%	77%	79%

Source: Alberta Justice and Alberta Solicitor General, Survey of Albertans

Data for the public perception of safety in the neighbourhood is collected through a telephone survey conducted for Alberta Justice and Alberta Solicitor General. Consistent with surveys in previous years, 750 Albertans 18 years of age or over were interviewed, thereby, providing a margin of error that is no greater than +/-3.6% at the 95% confidence level.

WORK STOPPAGES

This measure refers to the percentage of Collective Bargaining Agreements (CBAs) that have been successfully negotiated and ratified by the parties involved without a work stoppage.

1999-00	2000-01	2001-02	2002-03	2003-04
98.0%	98.3%	98.2%	93.2%	99.3%

Source: Alberta Human Resources and Employment
Notes: Methodological changes in analytic procedures were introduced in 2000-01. Historical data have been revised using new methods to be comparable. 2000-01 data captured in the newly developed Integrated Bargaining Information System (IBIS) as of May 24, 2001; 2001-02 data is captured as of May 6, 2002; 2002-03 data is captured as of May 7, 2003; 2003-04 data is captured as of April 19, 2004.

Alberta Human Resources and Employment (AHRE) collects data on the number of collective bargaining agreements settled without a work stoppage and the number of legal strikes/lockouts. This measure does not include data on illegal strikes and lockouts. This measure is reported by fiscal year and is calculated by AHRE using the following formula:

$$\% \text{ of CBAs settled without a work stoppage}^{*} = \frac{\text{\# of settled CBAs - \# of settlements}}{\text{\# of settled CBAs}} \times 100\%$$

* *This measure includes data from all contracts under the Alberta Labour Relations Code and the Police Officers' Collective Bargaining Act. Contracts covered under other legislation are excluded (i.e. contracts under the Public Service Employees Relations Act, Federal jurisdiction, the Universities Act, the Colleges Act, the Technical Institutions Act, the Banff Centre Act, etc.).*

INVOLVEMENT OF DRINKING DRIVERS IN FATAL COLLISIONS

This measure indicates the percentage of drivers in fatal collisions in Alberta who were judged to have consumed alcohol before the collision.

1999	2000	2001	2002	2003
22.8%	20.2%	21.0%	20.7%	22.3%

Source: Alberta Transportation, Alberta Collision Information System

Data for this measure is taken from the Alberta Collision Information System, which is administered by Alberta Transportation. The results for the measure are based on a calendar year. Drivers involved in fatal collisions in Alberta are included in the results. Driver condition data is compiled from collision reports completed by the attending law enforcement officer. Drinking drivers are those who, in the officer's judgment, have consumed alcohol prior to the collision. During the reporting period, there were a total of 422 drivers involved in fatal collisions in the Province of Alberta for whom a driver condition was specified on the collision report form. Driver condition includes "normal", "had been drinking", "alcohol impaired", "impaired by drugs", and "fatigued/asleep". Driver condition was unspecified for 81 drivers involved in fatal collisions, and are not included in the results.

MECHANICAL SAFETY OF COMMERCIAL VEHICLES

This measure represents the percentage of a random sample of commercial vehicles that have been identified as requiring the attention of a mechanic when inspected at roadside checks by Alberta Transportation staff.

1999-00	2000-01	2001-02	2002-03	2003-04
4.8%	2.7%	4.5%	3.6%	4.0%

Source: Alberta Transportation

Inspections are undertaken using internationally recognized standards issued by the Commercial Vehicle Safety Alliance. In this sample, seven random inspections were conducted at each of 64 sites across Alberta between July and November 2003. The total number of vehicles inspected was 448.

UNIFORM SECURITIES ACT

This measure tracks progress towards having uniform securities legislation adopted by each jurisdiction in Canada. The target was June 2004. The Alberta Securities Commission has taken a lead role in developing model legislation, working with its colleagues in the Canadian Securities Administrators (CSA). In December 2003, the CSA released their draft proposals for a Uniform Securities Act as well as a Model Securities Administration Act. Public comments on these drafts were requested by May 2004.

Goal Eleven

SURFACE WATER QUALITY INDEX

This measure expresses river water quality as an index of four groups of water quality variables to provide an indication of overall river water quality. River water quality is reported because the effects of human activities are generally more diverse and easier to measure in rivers than in lakes. The index can be used to show relative differences in water quality between rivers, between sites on the same river (e.g. upstream and downstream from cities), and over time. Such differences highlight degradation or improvement that has a human cause.

	98-99	99-00	00-01	01-02	02-03
			(index)		
OLDMAN RIVER					
Upstream of Lethbridge	89	98	96	97	77
Downstream of Lethbridge	79	87	93	96	75
BOW RIVER					
Upstream of Calgary	98	96	99	100	100
Downstream of Calgary	79	81	87	82	92
RED DEER RIVER					
Upstream of Red Deer	82	85	90	89	95
Downstream of Red Deer	78	75	85	92	90
NORTH SASKATCHEWAN RIVER					
Upstream of Edmonton	91	84	90	98	97
Downstream of Edmonton	66	79	84	83	90
SMOKY/PEACE RIVERS					
at Watino	88	87	90	94	90
at Ft Vermilion	93	84	91	84	91
ATHABASCA RIVER					
at Athabasca	88	89	95	99	93
at Old Fort	94	88	93	95	94

Source: Alberta Environment

Index	Guidelines
96 - 100	Almost always met; "Best" Quality (Excellent).
81 - 95	Occasionally exceeded, but usually by small amounts; threat to quality is minimal (Good).
66 - 80	Sometimes exceeded by moderate amounts; quality occasionally departs from desirable levels (Fair).
46 - 65	Often exceeded, sometimes by large amounts; quality is threatened, often departing from desirable levels (Marginal).
0 - 45	Almost always exceeded by large amounts; quality is significantly impaired and is well below desirable levels; "Worst" Quality (Poor).

Water quality samples are collected at two locations for each of the province's six major river systems. An index value is calculated for each of four variable groups for data collected between April and March, representing both a fiscal and a "water" year:

- Metals (up to 22 variables measured quarterly),
- Nutrients (six variables measured monthly, includes oxygen and pH),
- Bacteria (two variables measured monthly), and
- Pesticides (up to 17 variables measured four times through the summer).

Index values for the four variable groups are then averaged to produce an overall index of surface water quality that can be tracked over time.

The formula used to calculate index values for each group is based on three statistical attributes of water quality with respect to desirable levels (defined by water quality guidelines in most cases):

- Scope - the total number of water quality variables that do not meet guidelines,
- Frequency - the number of individual measurements for all variables combined that do not meet guidelines, and
- Amplitude - the amount by which measurements do not meet guidelines.

Variables in the first three groups (metals, nutrients and bacteria) are compared to guidelines listed in Surface Water Quality Guidelines for Use in Alberta. Where a number of guidelines exist for one variable, the guideline for the most sensitive use (recreation, agriculture, or the protection of aquatic life) is chosen. Drinking water guidelines are not considered, since surface water should not be used for drinking without first being treated. Some historic index values have been restated based on an improved ammonia calculator and revised metals guidelines.

Variables in the fourth group (pesticides) are evaluated based on whether they can be detected in a water sample. This conservative approach was adopted because some pesticides do not yet have official guidelines and, unlike metals, nutrients and bacteria, do not occur naturally in the environment.

DRINKING WATER QUALITY INDICATOR

The Drinking Water Quality Indicator is comprised of four separate measures that collectively provide an indicator of the performance of regulated waterworks facilities in delivering safe drinking water to Albertans. This year's baseline data will be used to establish targets for future years.

	2003-04	
Facility Design Standards		
Number of regulated facilities	**544**	
Number of facilities meeting newest (1997) standards	377	(69%)
Number of facilities meeting standards applicable at time of approval or registration issuance	167	(31%)
Facility Operational Requirements		
Number of incidents	20	
Number of facilities where incidents occurred	**17**	
Water Quality		
Number of incidents where health-related limits were exceeded	31	
Number of facilities where health related limits were exceeded	**30**	
Incidents of Illness		
under development		

Source: Alberta Environment

Under the *Environmental Protection and Enhancement Act*, the government regulates waterworks facilities that provide drinking water to Albertans through a variety of developments, including campgrounds, rural subdivisions, villages, towns, and cities. These facilities must obtain an approval or registration that is issued if the system meets the design standards in effect at the time of application and must operate under the conditions of the approval or registration, which includes self-reporting of non-compliance. Alberta Environment staff also inspect regulated facilities, report on the number of non-compliant incidents identified during inspections, and take appropriate action as required.

The Facility Design Standards measure is based on an assessment of existing regulated waterworks facilities against the newest Alberta Environment design standards for water treatment systems. Standards are revised every five to ten years, with the latest revision in 1997. 377 (69%) facilities have maintained or upgraded to meet the latest standards. The performance of the remaining 167 (31%) facilities is frequently reviewed to determine when upgrading will be necessary. Infrastructure upgrades are often costly, and must be planned over a number of years. Alberta Environment maintains an inventory of the status of facilities and compiles the results to provide this measure. Industrial waterworks facilities are also regulated by Alberta Environment, but are not included in this measure.

The Facility Operational Requirements measure shows incidents where approval conditions have not been met that could lead to water quality concerns. Examples include inadequate monitoring or the facility operator not having the appropriate certification. In 2003-04, 20 incidents were identified in 17 facilities. In these instances, Alberta Environment worked with the facilities to correct the problems.

The Water Quality measure shows incidents where the water supplied by a facility had a water quality parameter (chemical, physical or bacteriological) exceed the limits attached to the facility's approval or registration. Limits are based on the health-related concentration limits for substances listed in the Guidelines for Canadian Drinking Water Quality. Some health-related limits are a concern if the water is consumed over a long period of time (many years) and others are of a more immediate concern. Intervention is needed in either case, and may range from a public health advisory, preventing consumption of the water, to a requirement to upgrade a waterworks facility. In 2003-04, there were a total of 31 water quality incidents that occurred at 30 facilities. One resulted in a continuing public health intervention in the form of a Boil Water Advisory. Seven potential Boil Water Order situations were corrected immediately and did not require public advisory. Twenty-three incidents exceeded the health-related limit for total Trihalomethanes (THMs). THMs are a by-product of disinfecting drinking water with chlorine in the presence of elevated organic material. Short-term consumption of water that contains THMs over the limit does not pose a significant health risk but indicates there is need to address the situation. The preferred method of controlling disinfection by-products is the efficient removal of organic particles in the treatment process; however controlling disinfection by-products must not compromise the effectiveness of the disinfection, as this is a far greater public health risk. In order to resolve these types of situations, Alberta Environment is working with the facility owners to ensure that when water systems are expanded or upgraded, every effort is made to reduce the concentration of THMs through improvements to treatment plant operations or plant upgrades.

Notifications received from facilities through self-reporting are combined with inspection data in creation of both the Facility Operational Requirements measure and the Water Quality measure.

The Incidents of Illness measure is under development with Alberta Health and Wellness and Regional Health Authorities. This measure intends to show the number of times incidents of illness were attributed to the consumption of unsatisfactory drinking water."

GREENHOUSE GAS EMISSIONS INTENSITY INDICATOR

The Greenhouse Gas Emissions Intensity Indicator reflects greenhouse gas (GHG) emissions from Alberta sources as a function of the province's gross domestic product (GDP). GDP is measured in millions of constant (1997) dollars to ensure the numbers are comparable. The measure uses the amount of GHG emissions (in millions of tonnes of CO_2 equivalent) divided by Alberta's GDP. To arrive at the indicator, the value of emissions divided by GDP is then compared to a 1990 baseline intensity value (1990=100) to provide a relative measure of emissions intensity for the province.

	1998	1999	2000	2001	2002
Indexed Intensity (1990=100)	90	92	89	87	85

Source: *Alberta Environment*

Note (1) *Based on draft 2002 GHG emission estimates from Environment Canada as of April 23, 2004*

Note (2) *Current figures reflect an adjustment made to both GHG emissions and GDP data back to 1990 (by Environment Canada and Alberta Finance, respectively)*

AIR QUALITY INDEX

This measure indicates the number of "good", "fair", "poor" and "very poor" air quality days.

	"Good" Days	Good	Fair	Poor	Very Poor
	(percent)	(number of days)			
2001*	97	353	12	0	0
2002**	96	351	13	0	0
2003	96	350	14	0	0

Source: Alberta Environment

* *Based on data from six stations*

** *Based on data from seven stations*

The Air Quality Index (AQI) is calculated from outdoor concentrations of five major air pollutants monitored at nine stations across the province. The pollutants used to calculate the AQI are carbon monoxide, fine particulate matter ($PM_{2.5}$), nitrogen dioxide, ozone and sulphur dioxide. The AQI is calculated at three stations in each of Edmonton and Calgary and one station in each of Red Deer, Fort McMurray and Fort Saskatchewan. The AQI number is used to determine whether the quality of the air is "good", "fair", "poor" or "very poor". These categories are derived using formulas based on air quality guidelines under the *Environmental Protection and Enhancement Act* and the National Ambient Air Quality Objectives. The AQI is calculated hourly and then presented in terms of days. Results are rounded to the nearest whole day.

In 2003, the AQI was modified to include hourly measurements of small particulates ($PM_{2.5}$). $PM_{2.5}$ are particles that are small enough to be inhaled into the lungs and, depending on their composition, may be a human health concern. Hourly $PM_{2.5}$ data are available from all nine stations in 2003. However, in 2001, hourly $PM_{2.5}$ was not measured at the Calgary Northwest, Calgary East and Fort Saskatchewan monitoring stations. In 2002, hourly $PM_{2.5}$ was not measured at the Calgary Northwest and Calgary East stations.

Air quality is influenced by a number of factors including vehicle emissions, weather patterns, forest fires and intensity of industrial development. In Alberta, "poor" or "very poor" air quality can occur when smoke from forest fires is transported into urban centres. "Poor" air quality can also occur during summertime and wintertime smog events.

On hot, sunny summer days, smog can be formed due to a complex set of chemical reactions involving pollution from automobiles and industry. Summertime smog has a light brown colour and can reduce visibility. Ground-level ozone is a major component of summertime smog.

Wintertime smog can occur when there is a strong temperature inversion and light winds. This combination of weather conditions will often create a layer of cool, stagnant air near the ground. Air pollutants, mostly from automobiles, are trapped in this layer of stagnant air.

BIODIVERSITY MONITORING SYSTEM

This measure indicates progress on the design and testing of a biodiversity monitoring system.

The source for this measure is internal documents that have been developed by Sustainable Resource Development and its partners to co-ordinate the Alberta Biodiversity Monitoring Program. A review of the progress that has been made within this framework was conducted in order to determine progress towards developing a working prototype.

The initiative to design and test a biodiversity monitoring system involves the following stages:

1. Establish a 4-year Alberta Biodiversity Monitoring Program (ABMP) Prototype Project-Completed.
2. Test and refine existing field data collection protocols-In Progress.
3. Develop outstanding data collection protocols.
4. Data management and reporting system.
5. Summary information products.
6. Implementation business plan.

MUNICIPAL SOLID WASTE TO LANDFILLS

This measure tracks the tonnes per capita of municipal solid waste going into landfills.

1999	2000	2001	2002	2003
	(tonnes per capita)			
0.75	0.74	0.76	0.76	0.80

Source: Alberta Environment

This measure tracks the tonnes per capita of municipal solid waste going into municipal

landfills in Alberta. The Canadian Council of Ministers of Environment developed the methodology used for the measure. The calculation is based on two parts. The first is the population served by each applicable landfill, using population figures from Alberta Municipal Affairs. The second is the tonnes of municipal solid waste sent to each landfill. The calculation can also be further divided to illustrate urban and regional disposal amounts. The information is voluntarily provided by landfills, and includes only those landfills with weigh scales. Estimates are used for the remaining population, and are derived by multiplying measured urban and regional per capita disposal rates with unmeasured populations. Using the above information, the provincial tonnes per capita of municipal solid waste going into landfills is presented.

WILDFIRE PREVENTION

This measure tracks the number of human-caused fires within Alberta's Forest Protection Area.

1999	2000	2001	2002	2003
		(number of fires)		
273	209	297	443	490*

Source: Alberta Sustainable Resource Development
** As of March 31, 2004, subject to minor variations pending results of any ongoing investigations.*

Every wildfire is investigated to determine the cause, which is then entered into Alberta's Fire Information Resource System. If the wildfire is human-caused, then it is further investigated to determine the responsible party.

The data in this report excludes industry-caused wildfires (i.e., activities of the forest industry, railway, and other industries). Activities such as willfully caused wildfires, recreation, residents and other miscellaneous human causes are included in this analysis.

While data is collected and entered on a year-round basis, results reported are limited to wildfires assessed during the legislated fire season (April 1 to October 31) to allow for year-to-year comparisons.

Goal Twelve

LEVEL OF COMMUNITY VOLUNTEERISM

This measure indicates the percentage of adult Albertans who volunteer in a given year.

1999-00	2000-01	2001-02	2002-03	2003-04
72.1%	75.2%	69.5%	70.6%	68.3%

Source: Alberta Community Development, based on Research Innovations Inc. surveys

The Community Development Survey of Albertans is an annual province-wide telephone survey of 1,000 adult Albertans. Since 1999, Research Innovations Inc. (formerly the Advisory Group) has conducted this survey using a random sample stratified by age group, gender and geographic location to be representative of Alberta's population. This measure represents the percentage of adult Albertans who made an unpaid contribution of time, energy and/or talents to charitable or non-profit organizations, causes, or community development activities, or help through personal initiative to individuals.

A pre-test of the questionnaire was performed, and all interviews were conducted in January 2004 by trained and experienced interviewers. Question order was randomly rotated to minimize potential question order bias. Interviews were monitored while in progress and 10% of each interviewer's work was directly monitored. The response rate was 54.3%. Data were analyzed with STATXP software. The margin of error is +/- 3.2% at the 95% confidence level.

PARTICIPATION IN ARTS AND CULTURAL ACTIVITIES

This measure indicates the percentage of adult Albertans who attend or participate in arts and cultural activities.

1999-00	2000-01	2001-02	2002-03	2003-04
89.6%	89.7%	88.9%	89.2%	85.5%

Source: Alberta Community Development, based on Research Innovations Inc.

Arts and cultural activities include performing in a choir, playing a musical instrument, taking an arts course and visiting an arts exhibition or gallery.

The Community Development Survey of Albertans is an annual province-wide telephone

survey of 1,000 adult Albertans. Since 1999, Research Innovations Inc. (formerly the Advisory Group) has conducted this survey using a random sample stratified by age group, gender and geographic location to be representative of Alberta's population. Respondents were asked if they had personally attended or participated in a broad range of arts and cultural activities in the last year. A pre-test of the questionnaire was performed, and all interviews were conducted in January 2004 by trained and experienced interviewers. Question order was randomly rotated to minimize potential question order bias. Interviews were monitored while in progress and 10% of each interviewer's work was directly monitored. The response rate was 54.3%. Data were analyzed with STATXP software. The margin of error is +/- 3.2% at the 95% confidence level.

FILM PRODUCTION EMPLOYMENT OPPORTUNITIES

This measure indicates the number of film production employment opportunities for Albertans supported by the Alberta Film Development Program.

1999-00	2000-01	2001-02	2002-03	2003-04
(number of employment opportunities)				
1,156	2,583	2,377	1,740	3,241

Source: Alberta Community Development

Film production companies approved for funding under the Alberta Film Development Program submit film production reports to Alberta Community Development. Basic information from the production report is entered into an internal database. Data for a production are included in the fiscal year that the grant was paid or accrued. The production report includes a video copy of the finished production; appropriate financial statements (audits or review engagement) with clear schedules outlining Alberta expenses; a list of all personnel engaged on the project, including job titles and residency; and a declaration confirming that the applicant and the production meet all eligibility requirements for the program. Employment opportunities for Albertans include cast and crewmember positions held by Alberta residents. In April 2002, new guidelines were announced that require newly approved productions with budgets over $500,000 to have audited financial statements with an audited Alberta cost schedule outlining expenses incurred in Alberta. Productions with budgets less than $500,000 will require a Review Engagement Report. These criteria will affect all productions with reporting dates starting in the 2003-04 fiscal year.

SPORT AND RECREATION PARTICIPATION

This measure indicates the percentage of adult Albertans who participate in sport and recreational activities.

1999-00	2000-01	2001-02	2002-03	2003-04
89.5%	86.1%	84.5%	82.6%	80.4%

Source: Alberta Community Development, based on Research Innovations Inc.

The Community Development Survey of Albertans is an annual province-wide telephone survey of 1,000 adult Albertans. Since 1999, Research Innovations Inc. (formerly the Advisory Group) has conducted this survey using a random sample stratified by age group, gender and geographic location to be representative of Alberta's population. Respondents were asked if they had participated in a sport and recreational activity such as walking, bicycling, skiing, golfing, skating, swimming and amateur sports in the past year. A pre-test of the questionnaire was performed, and all interviews were conducted in January 2004 by trained and experienced interviewers. Question order was randomly rotated to minimize potential question order bias. Interviews were monitored while in progress and 10% of each interviewer's work was directly monitored. The response rate was 54.3%. Data were analyzed with STATXP software. The margin of error is +/- 3.2% at the 95% confidence level.

PUBLIC LIBRARY USE

This measure indicates the percentage of adult Albertans who used public library services in a given year.

1999-00	2000-01	2001-02	2002-03	2003-04
53.2%	53.8%	52.0%	52.8%	51.2%

Source: Alberta Community Development, based on Research Innovations Inc.

Libraries support strong, healthy communities, further lifelong learning and help Albertans compete in the global economy.

The Community Development Survey of Albertans is an annual province-wide telephone survey of 1,000 adult Albertans. Since 1999, Research Innovations Inc. (formerly the Advisory Group) has conducted this survey using a random sample stratified by age group, gender and geographic location to be representative of Alberta's population. Respondents were asked if they had used a public library in the past 12 months. A pre-test of the questionnaire was performed, and all interviews were conducted in January 2004 by trained and experienced interviewers. Question order was randomly rotated to minimize potential question order bias. Interviews were monitored while in progress and 10% of each interviewer's work was directly monitored. The response rate was 54.3%. Data were analyzed with STATXP software. The margin of error is +/- 3.2% at the 95% confidence level.

VISITOR SATISFACTION WITH PROVINCIAL HISTORIC SITES, MUSEUMS AND INTERPRETIVE CENTRES

This measure indicates the percentage of visitors to provincial historic sites, museums and interpretive centres who were satisfied overall with their experience.

1999-00	2000-01	2001-02	2002-03	2003-04
98.3%	98.5%	98.6%	97.9%	97.7%

Source: Alberta Community Development and Infact Research and Consulting Inc.

The satisfaction level of "independent" visitors at provincial historic sites, museums and interpretive centres is determined through Alberta Community Development's Heritage Facilities Visitor Survey. Independent visitors do not include after-hours visitors, nor visitors in group tours such as school groups, seniors groups and other groups. Trained ministry field staff conducted the survey, and a private research firm (Infact Research and Consulting Inc.) analyzed the results according to a set of standard procedures. Overall results were determined using the top two combined response categories of a five-point rating scale for the categories "excellent", "good", "neither good nor poor", "poor", and "very poor". A multi-stage, stratified systematic random sample was used, and a total of more than 5,300 interviews were processed at 17 facilities across the province. The sample was based on two seasons: winter 2002-03 (September 3, 2002 - May 14/16, 2003) and summer 2003 (May 15/17 - September 1, 2003). The margin of error is +/- 1.4% at the 95% confidence level.

VISITOR SATISFACTION WITH PROVINCIAL PARKS AND RECREATION AREAS

This measure indicates the percentage of visitors who were satisfied overall with the services and facilities at Alberta's provincial parks and recreation areas.

In 2003-04, 90.4% of visitors were satisfied overall with their experience at Alberta's provincial parks and recreation areas.

Source: Alberta Community Development

The satisfaction level of visitors at provincial parks and recreation areas is determined through Alberta Community Development's Camper Satisfaction Survey. The survey includes a representative cross-section of 106 provincial park or recreation area campgrounds according to size (visitation) and geography. Only auto-accessible campgrounds where visitation is greater than 1,050 occupied campsite nights are included. A random sample of adult campers is surveyed at approximately 35 campgrounds per year on a three-year rotational cycle. Due to unforeseen circumstances, small sample sizes and survey discrepancies, results for only 29 campgrounds were used. Each of the 106 campgrounds will be surveyed at least once every three-year cycle. Results for this measure are not comparable with the previous year since the measure's rating scale was revised in 2003-04 to more accurately reflect satisfaction. Overall results are now determined through the combined response categories of "very satisfied" and "satisfied" in relation to visitors' rating of their overall satisfaction with the quality of services and facilities provided. More than 3,000 responses were collected from May to September 2003. Results were calculated with Statistical Analysis System (SAS) software. The margin of error is +/- 1.7% at the 95% confidence level.

Readership Survey

The Government of Alberta Annual Report combines government's non-financial performance assessment, Measuring Up, with Alberta's Consolidated Financial Statements to give a more complete picture of the province's economic, social and financial position in one publication.

How useful is this report to you?

This Readership Survey will tell us how important and how valuable you find the two parts of this report. Please read each statement and choose the option that best indicates your level of satisfaction.

You can complete this survey online at www.finance.gov.ab.ca or remove this sheet from the Annual Report and fax it to Performance Measurement at (780) 422-2164 (toll free in Alberta by dialing 310-0000 then 780-422-2164). The readership survey can also be mailed to:

Performance Measurement
Room 455, Terrace Building
9515-107 Street
Edmonton, Alberta, Canada T5K 2C3

CONSOLIDATED FINANCIAL STATEMENTS

Based on your reading of the *Consolidated Financial Statements*, indicate how satisfied you are that...

1. The information in the *CFS* is easy to understand.

___Very Unsatisfied ___Unsatisfied ___Somewhat Unsatisfied ___Somewhat Satisfied ___Satisfied ___VerySatisfied

2. The information in the *CFS* is useful.

___Very Unsatisfied ___Unsatisfied ___Somewhat Unsatisfied ___Somewhat Satisfied ___Satisfied ___VerySatisfied

3. There is enough detail for me in the *CFS*.

___Very Unsatisfied ___Unsatisfied ___Somewhat Unsatisfied ___Somewhat Satisfied ___Satisfied ___VerySatisfied

4. The *CFS* meets my overall needs for information.

___Very Unsatisfied ___Unsatisfied ___Somewhat Unsatisfied ___Somewhat Satisfied ___Satisfied ___VerySatisfied

MEASURING UP: THE PERFORMANCE MEASUREMENT REPORT

Based on your reading of 2003-04's *Measuring Up*, indicate how satisfied you are that...

1. The information in *Measuring Up* is easy to understand.

___Very Unsatisfied ___Unsatisfied ___Somewhat Unsatisfied ___Somewhat Satisfied ___Satisfied ___VerySatisfied

2. The information in *Measuring Up* is useful.

___Very Unsatisfied ___Unsatisfied ___Somewhat Unsatisfied ___Somewhat Satisfied ___Satisfied ___VerySatisfied

3. The level of detail for me in *Measuring Up*.

___1. Too little ___2. ___3. Adequate ___4. ___5. Too much.

4. *Measuring Up* meets my overall needs for information.

___Very Unsatisfied ___Unsatisfied ___Somewhat Unsatisfied ___Somewhat Satisfied ___Satisfied ___VerySatisfied

5. Which of the following would be the most useful improvements to *Measuring Up*.

___more interpretation of indicators ___more international comparisons ___more information on government strategies

___more information on domestic trends ___better graphics and illustrations ___other (please specify)_____

SUGGESTIONS FOR IMPROVEMENTS

Your opinion is important to us. But to improve our report, we need more information. Please use the space below to tell us how to make these reports easier to understand and more useful to you.

The *Consolidated Financial Statements* can be improved by:

Measuring Up can be improved by:

View the Government of Alberta Annual Report online at: **http://www.finance.gov.ab.ca**

For additional copies of the *Government of Alberta Annual Report* contact:

Alberta Finance Communications at (780) 427-3035

Toll free from anywhere in Alberta, callers should dial 310-0000-780-427-3035

Comments or questions on *Measuring Up* may be sent to:

Alberta Finance

Performance Measurement

Room 455, Terrace Building

9515 - 107 Street

Edmonton, Alberta

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